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Focused



IAMGOLD
CORPORATION

2003 ANNUAL REPORT

Following the closing of IAMGOLD's business combination with Repadre Capital Corporation in early 2003, the Company joined the ranks of the gold industry's intermediate producers, a small group of companies with average production of about 400,000 ounces of gold per year and growing.

IAMGOLD's focus in 2003 was to maintain the stable *performance* of the four gold mining operations in which it has its interests, its strong cash flow from these operations and to continue to pursue *growth* through its mine expansion projects, exploration and acquisitions.



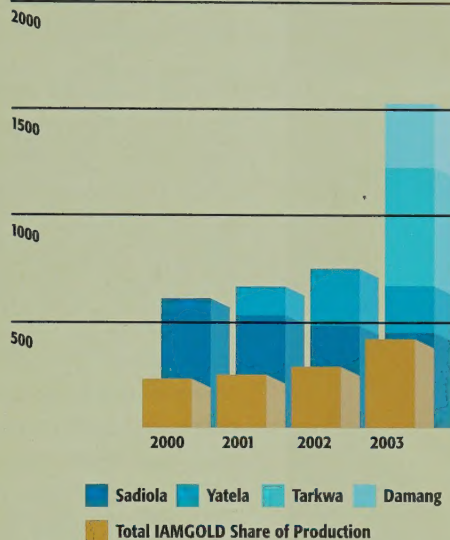
Focus for 2004

In 2004, IAMGOLD intends to remain focused on the following activities:

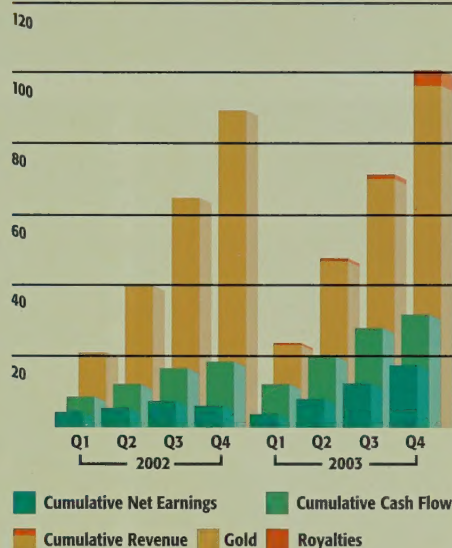
- Operations** - Maintain consistently strong operating performance at its operations and advance its development projects according to plan.
- Exploration** - Refocus its efforts on the exploration and acquisition of projects of a defined quality and size.
- Acquisitions** - Pursue value-added mergers or acquisitions of producing gold mining companies, mines or advanced-stage development projects.
- Governance** - Continue to improve its corporate governance practices and procedures and enhance its commitment towards the sustainable development of the communities in which it works.

Performance

**Total Mine Production and
IMG Share of Production
2000 – 2003**



**2002 - 2003 Cumulative Quarterly Revenue
Cash Flow and Earnings***
US\$ millions

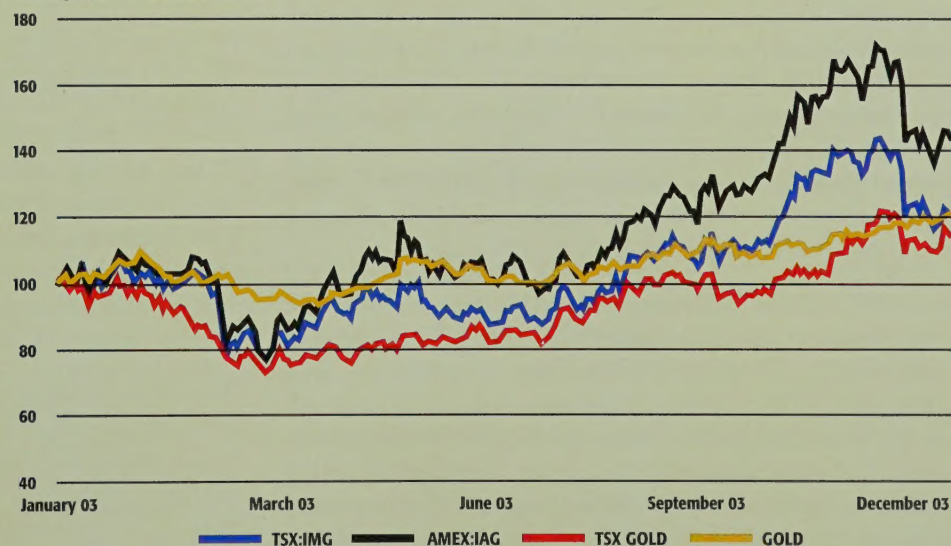


* Revenue does not include the Company's proportionate share of its interest in the Tarkwa and Damang mines

IAMGOLD's production increased by 45% in 2003 to 421,000 ounces of gold following the business combination with Repadre Capital and the addition of Repadre's more than 150,000 ounces of annual gold production.

IAMGOLD's 2003 cash flow increased by 62% to \$30.6 million and net earnings increased by 173% to \$15.0 million compared to 2002.

**Indexed IMG, IAG, TSX Gold Index and Gold
January 2003 – December 2003**



During the 52 week period to December 31, 2003, AMEX:IAG and TSX:IMG outperformed the TSX Gold Index ending the year up 7% and 30%, respectively relative to the TSX Gold Index.

Message to Shareholders



Joseph F. Conway
President and CEO



William D. Pugliese
Chairman of the Board

IAMGOLD began as a West African-focused exploration company in the early 1990's. By 1995 it had turned its initial discovery of the Sadiola deposit in Mali into a 38% equal interest in a world-class mine operated by a world-class partner. In 1996 the first gold bar was poured at the Sadiola mine. By 2001 the Company and its operating partner AngloGold began producing gold at the Yatela mine, adjacent to Sadiola and in 2002 reported 257,000 ounces of attributable gold production from the two mines.

In 2003, IAMGOLD concluded a business combination with Repadre Capital. As a result IAMGOLD's production increased by 45% to 421,000 ounces of gold, cash flow increased by 62% to \$30.6 million and net earnings increased by 173% to \$15.0 million compared to 2002. With interests in four mines operated by two of the largest gold mining companies in the world, a portfolio of royalties from producing gold and diamond mines, numerous advanced stage exploration projects and US\$114 million in cash and gold bullion at the end of 2003, IAMGOLD has a solid financial foundation and strong and diversified production base.

2003 Performance Review

Following the closing of the business combination between IAMGOLD and Repadre on January 7, 2003, the first half of 2003 was occupied with merging the two companies. The Company relocated its office in Toronto's business district and new working relationships were built among management and with the Company's joint venture partners.

During 2003, the mines in which IAMGOLD has interests continued their historically consistent and strong operating performance. In early 2003, management forecast production of 421,000 ounces of gold for the year. This was revised upwards to 430,000 ounces of gold following a strong second quarter. However, during the third and fourth quarters, commissioning of new leach pads and a new crusher circuit at the Yatela mine coincided with an extraordinarily heavy and persistent rainy season throughout West Africa. Both of these newly commissioned items became susceptible to rain-related delays and malfunction and as a result production fell below plan and costs increased at Yatela. By year-end 2003, IAMGOLD's share of production totalled 421,000 ounces, only 2% below the upwardly revised figure, while costs rose 5% above forecast. The difference in production and costs were due to rain-related challenges, plus fluctuating currency exchange rates and rising fuel and reagent costs; factors which impacted the entire industry.

Beyond IAMGOLD's joint venture interests in the West African gold mines, the Company receives royalty revenues from six producing gold mines and the rich Diavik diamond mine. The gold mines contributed \$2.4 million of revenue to IAMGOLD during 2003. Diavik made its first royalty payment to IAMGOLD in the third quarter 2003 with total payments for the year totalling \$2.1 million. Based on the feasibility study for the development of the Diavik mine, the Company's annual 1% royalty is forecast to pay \$5 million per year to IAMGOLD during its current approximate 20-year mine life.

In late 2002, IAMGOLD began trading on the American Stock Exchange ("AMEX"). Aided by a strengthening gold price, consistent performance from its four gold mines and its strong cash flow and balance sheet, demand for IAMGOLD's shares increased throughout 2003. As demand for the Company's shares increased so did trading liquidity, increasing to more than twice that of 2002. As the demand for IAMGOLD's shares increased so did its share price. By December 2003 IAMGOLD's share price had increased as much as 43% on the Toronto Stock Exchange and 70% on the American Stock Exchange, compared to its price at the start of the year. In late December 2003, the board approved a 20% increase in the Company's 2003 annual dividend. By many measures, 2003 was a successful and prosperous year for IAMGOLD and its shareholders.

Focus for 2004

In 2004, IAMGOLD intends to remain focused on the following activities:

- Operations** - Maintain consistently strong operating performance at its operations and advance its development projects according to plan.
- Exploration** - Refocus its efforts on the exploration and acquisition of projects of a defined quality and size.
- Acquisitions** - Pursue value-added mergers or acquisitions of producing gold mining companies, mines or advanced-stage development projects.
- Governance** - Continue to improve its corporate governance practices and procedures and enhance its commitment towards the sustainable development of the communities in which it works.

Operations

Continued strong operating performance of the mines in which IAMGOLD has its interests is key to the future prosperity of the Company. Management takes an active and constructive role with our joint venture partners in ensuring this performance is maintained.

In 2004, the Company's attributable share of gold production from its four operating mines is expected to be 445,000 ounces of gold at a total direct cash cost of \$215 per ounce. Two major mine development projects will also be advanced during 2004. At the Tarkwa mine in Ghana, the switch to owner-operator mining and commissioning of a new processing plant is scheduled for completion before year-end. The Tarkwa processing plant expansion project is expected to boost production by approximately 15% by 2006 to 700,000 ounces of gold per annum, of which 130,000 ounces will be IAMGOLD's share. At the Sadiola mine the pre-feasibility study on the exploitation of the Sadiola Deep Sulphide resources is scheduled for completion late in 2004. Approximately 50,000 metres of resource definition drilling is scheduled and stages in the processing of the Deep Sulphide material will be optimized as part of the pre-feasibility study. A decision on owner-operator mining at Sadiola is also expected in 2004.

Revenue from IAMGOLD's royalties are expected to be equal, if not greater than that received in 2003. This is a combination of the development of two new mines in which IAMGOLD holds royalties, improved metal prices and expanded production from the Diavik diamond mine. The owners of Diavik announced late in 2003 that production would increase, first by 15% in 2004 followed by another 15% in 2005. IAMGOLD expects to receive a corresponding increase in its royalty revenue during these periods.

Exploration

IAMGOLD's exploration strategy has been to leverage the strength of its team of experienced geologists to assemble a portfolio of potential large-scale gold deposits and, through its exploration efforts, define the mineral potential of these deposits. This strategy involves IAMGOLD taking significant early-stage exploration risk.

Going forward IAMGOLD's focus will be to continue to build a portfolio of early-stage to advanced drill-stage exploration and resource definition projects in the Americas and West Africa. These projects should have the potential to host more than one million ounces of gold and support from 100,000 to 300,000 ounces of annual gold production. Exploration activities will be focused on quickly and efficiently advancing projects with the greatest potential of meeting this size criteria, while alternatively seeking joint venture partners on those projects that exceed or fall below this criteria. Under these agreements, its partners will fund portions of the future exploration expense on these projects with IAMGOLD maintaining a significant ownership interest should the projects develop into mines. The two joint venture agreements signed in 2003 with Gold Fields Limited and Barrick Corporation on two potential large-scale projects plus the option agreement signed with Rubicon Minerals Corporation on a project which appears to meet IAMGOLD's size criteria are examples of the execution of this strategy.

Acquisitions

In combination with IAMGOLD's efforts to generate and acquire additional quality exploration projects, the Company is committed to grow by merging with or acquiring other gold mining and/or development companies or projects. Similar to our exploration strategy, our focus is in the Americas and West Africa, on companies, mines or projects where IAMGOLD would become an operator. The Company's focus is on projects with the potential to host greater than one million ounces of gold reserves to IAMGOLD's account and capable of supporting attributable production of more than 100,000 ounces of gold per year.

On March 31, 2004, The Company announced an agreement to enter into a business combination with Wheaton River Minerals Ltd. ("Wheaton"). The new company will have interests in seven gold operations located in the Americas, West Africa and Australia. Forecast 2004 production will be one million gold equivalent ounces plus production of copper. Forecast 2004 cash operating costs are estimated to total less than US\$100 per ounce, after taking into account by-product copper credits. The combined company will have proven and probable reserves of 9.0 million ounces plus additional measured and indicated resources of 4.4 million ounces and inferred

resources of 10.5 million ounces. The new company has strong operating cash flow and excellent financial flexibility with almost US\$300 million in cash and gold bullion.

The combination will be completed by way of a plan of arrangement whereby each Wheaton share will be exchanged for 0.55 of an IAMGOLD share of the Company. The combination must be approved by at least two-thirds of the votes cast by the shareholders of Wheaton and by a majority of the votes cast by IAMGOLD shareholders. The shareholder meetings are expected to be held in June 2004, with the transaction expected to close shortly thereafter.

Governance

The pressure on publicly listed companies to adhere to ever-higher standards of corporate governance has never been greater. IAMGOLD recognizes that good corporate governance is the foundation on which a company is built and attempts to ensure high standards with regard to the composition, qualifications and independence of its Board of Directors. Beyond IAMGOLD's obligations to ensure good governance, the Company also values its performance in the areas of environment, health and safety at its operations and the sustainable development of the people in the communities surrounding these operations.

In 2004, the Board of Directors and the Governance Committee of IAMGOLD will further demonstrate its commitment to the highest standards of corporate governance by developing a comprehensive internal control system that complies with the requirements of the Sarbanes Oxley Act.

In the areas of environment, health and safety and the sustainable social and economic development of communities that surround such operations, IAMGOLD supports initiatives to achieve industry-leading performance. The Company believes this commitment is not only the responsible thing to do in what are some of the most impoverished regions of the world, but also a sound business practice which ensures the support of such communities now and into the future.

Closing Remarks

We want to thank our shareholders for their continued support of IAMGOLD, its management and board. Furthermore, we want to commend IAMGOLD's executive management team, the members of the board of directors and all the Company's employees for their efforts during the past year. Your focus on the Company's continued strong operating and financial performance, exploration efforts, the pursuit of value-added growth opportunities and high standards of corporate governance and sustainable development are evident in the strategies, execution and performance in all of these areas. Congratulations on a successful 2003. Your focus should result in continued strong performance in 2004!

Joseph F. Conway
President and CEO

William D. Pugliese
Chairman of the Board



From left to right: Tom Atkins, Grant Edey, Dennis Jones, Larry Phillips, Richard Spencer, Joe Conway, Claude Barjot and Paul Olmsted.



IAMGOLD
CORPORATION

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following should be read in conjunction with the Consolidated Financial Statements for December 31, 2003 and related notes thereto which appear elsewhere in this report. All figures in the following sections are in US dollars, unless stated otherwise.

OVERVIEW

IAMGOLD ("IMG" or the "Company") is a growth-oriented precious metals mining and exploration company. During 2003, the Company held interests in four operating gold mines in West Africa and certain diamond and gold royalties and conducted exploration activities in South America and West Africa.

Effective January 7, 2003, IAMGOLD completed a business combination with Repadre Capital Corporation ("Repadre"). Under

the terms of the arrangement, 63.0 million common shares of IAMGOLD were issued to Repadre shareholders and Repadre became a wholly-owned subsidiary of the Company. The purchase consideration for the transaction was \$218.3 million, including acquisition costs of \$0.8 million (refer to Notes to the Consolidated Statements - note 2).

Summarized Financial Results

(in US\$000's except where noted)

	2003	2002	2001
Cash and gold bullion	\$ 113,958	\$ 46,413	\$ 31,365
Net working capital	118,539	56,884	25,807
Total assets	451,141	190,638	176,598
Non-recourse loans payable	11,342	13,091	26,617
Gold sales	96,607	89,824	81,655
Royalty revenues	4,504	-	-
Earnings from working interests	9,650	-	-
Net earnings	15,039	5,535	10,948
Basic net earnings per share	0.11	0.07	0.15
Diluted net earnings per share	0.10	0.07	0.15
Cash dividends declared per share (Cdn\$)	0.06	0.05	0.05
Operating cash flow	30,638	18,937	26,432
Operating cash flow per share (basic & diluted)	0.21	0.25	0.36
Gold produced (000 oz - IMG share)	421	290	256
Weighted average GI cash cost (US\$/oz - IMG share)*	225	169	138
Gold spot price (US\$/oz)**	363	310	271

* Weighted average GI cash cost is a non-GAAP measure, calculated in accordance with the Gold Institute Standard wherein cash cost equals the sum of cash operating costs inclusive of production-based taxes and management fees and may include certain cash costs incurred in prior periods such as stockpiling and stripping costs and may exclude certain cash costs incurred in the current period that relate to future production. Refer to individual mining operating results sections for mine GI cash costs and reconciliations to GAAP 2002 and 2001 do not include Tarkwa and Damang.

** Average gold price as per the London PM fix.

Net earnings for 2003 were \$15.0 million or \$0.11 per share compared to \$5.5 million or \$0.07 per share for 2002. The increase in earnings is largely attributable to the contribution from the Repadre assets purchased in January 2003. Earnings from the Sadiola and Yatela mining operations were lower by \$5.0 million in 2003 due to production shortfalls experienced at the Yatela operations.

Quarterly Financial Review

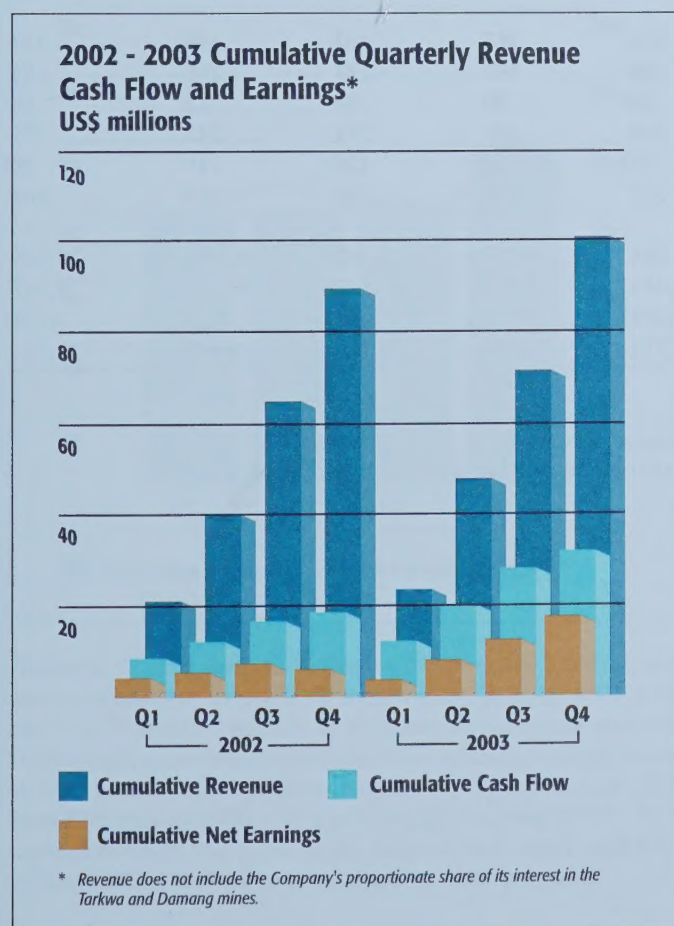
(in US\$000's except where noted)

Net earnings for the fourth quarter of 2003 were \$5.2 million or \$0.04 per share compared to a loss of \$1.5 million for the fourth quarter of 2002.

Quarterly earnings for 2003 have been restated to reflect increased provisions for future income tax. Under Canadian GAAP, the liability for future income tax must be marked-to-market at current exchange rates in each reporting period. As the Canadian dollar experienced dramatic appreciation over the year, a \$3.7 million or \$0.03 per share non-cash charge has been taken against the foreign exchange account for the year due to the translation of the Company's Canadian-based future tax liability into US dollars. \$2.9 million of this loss occurred during the first and second quarters and quarterly results have been restated accordingly.

2003	Q1	Q2	Q3	Q4	Total
Revenue	\$ 23,842	\$ 24,179	\$ 23,763	\$ 29,327	\$ 101,111
Net earnings*	3,405	2,020	4,401	5,213	15,039
Basic earnings per share*	0.03	0.01	0.03	0.04	0.11
Diluted earnings per share*	0.02	0.01	0.03	0.04	0.10
Operating cash flow	12,292	7,850	6,485	4,011	30,638
Operating cash flow per share (basic & diluted)	0.09	0.05	0.04	0.03	0.21
2002	Q1	Q2	Q3	Q4	Total
Revenue	\$ 21,289	\$ 19,291	\$ 24,505	\$ 24,739	\$ 89,824
Net earnings	3,973	1,230	1,816	(1,484)	5,535
Basic and diluted earnings per share	0.05	0.02	0.02	(0.02)	0.07
Operating cash flow	8,833	3,577	4,474	2,053	18,937
Operating cash flow per share (basic and diluted)	0.12	0.05	0.06	0.02	0.25

* Restated to reflect a change in accounting estimates relating to future income taxes.



RESULTS OF OPERATIONS

As the business combination with Repadre occurred in January 2003, information on operations on the assets acquired is provided on a pro forma basis for 2002 periods.

SADIOLA MINE (*LAMGOLD interest – 38%*)

The Company owns a 38 percent interest in a Malian registered company, La Société d'Exploitation des Mines d'Or de Sadiola S.A. ("Sadiola"). Sadiola holds the mining permits for the Sadiola mine in western Mali. AngloGold Limited ("AngloGold") owns 38 percent of Sadiola, the Republic of Mali holds 18 percent and International Finance Corporation ("IFC"), an affiliate of the World Bank, holds the remaining 6 percent. AngloGold is the mine operator.

A summary of significant operating statistics at Sadiola is provided in the table below:

Summarized Results

100% Basis

	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total	2002 Total
Waste mined (000t)	2,790	2,710	2,980	2,960	11,440	8,970
Marginal ore mined (000t)	550	340	220	370	1,480	1,410
Ore mined (000t)	1,160	1,790	750	2,030	5,730	6,380
Total material mined (000t)	4,500	4,840	3,950	5,360	18,650	16,760
Strip Ratio*	2.9	1.7	4.3	1.6	2.3	1.6
Ore milled (000t)	1,190	1,290	1,240	1,350	5,070	5,050
Head grade (g/t)	3.1	2.6	2.7	3.7	3.0	3.5
Recovery (%)	86	93	92	84	88	84
Gold production - 100% (000 oz)	104	105	111	132	452	480
Gold sales - 100% (000 oz)	113	101	105	134	453	477
Gold revenue (US\$/oz)**	369	359	365	402	376	314
Direct cash costs (US\$/oz)	216	208	187	227	210	153
Production taxes (US\$/oz)	23	20	20	24	22	18
Total cash costs (US\$/oz)	239	228	207	251	232	171
Stockpile adjustments (US\$/oz)	(28)	(11)	(9)	(25)	(19)	(8)
GI cash cost (US\$/oz)	211	217	198	226	213	164
GI cash cost (US\$000)	21,872	22,666	21,984	29,907	96,429	78,545
IMG share - 38% (US\$000)	8,311	8,613	8,354	11,365	36,643	29,847
GAAP Reconciling items (US\$000)***	837	(839)	(513)	(160)	(675)	(224)
Mining expense (US\$000)	9,148	7,774	7,841	11,205	35,968	29,623

* Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

** Gold revenue is calculated as gold sales, adjusted for hedge accounting, divided by ounces of gold sold.

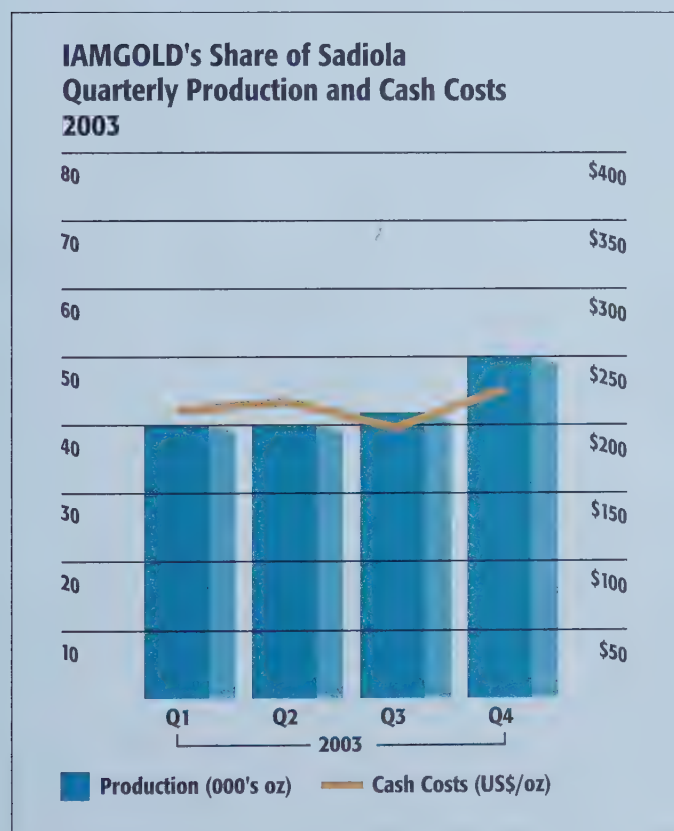
*** GAAP reconciling items are made up of stock movement, mine interest, exploration and consolidation adjustments.

In general, the Sadiola operations reached their budgeted production level for 2003 but operating costs were higher than anticipated.

The Company's average gold revenue at Sadiola of \$376 per ounce in 2003 was higher than the \$314 per ounce achieved in 2002. The premium above the average spot price of \$367 per ounce in 2003 (\$310 per ounce in 2002) resulted from the amortization of deferred hedge revenue from previously crystallized financial instruments.

Gold production at Sadiola was 6% lower in 2003 than 2002. This decrease is attributable to lower ore grades delivered to the mill, which, at 3.0 g/t for the year, was in line with the average reserve grade. The lower grade was offset somewhat by significantly improved mill recoveries for the year for the sulphide ores processed. During the fourth quarter, however, recoveries on sulphide ore slipped below 80% due to mechanical problems (now rectified) at the oxygen plant, which resulted in insufficient oxygen being delivered to the process.

Cash costs increased in 2003 due to higher mining costs due to harder ore, the higher cost of diesel fuel, and the higher cost of labour and certain supplies which were euro or rand related rather than US dollar related. This trend continued during the fourth quarter of 2003.



Additions to fixed assets at Sadiola in 2003 were \$4.3 million and were expended on a variety of small capital projects. 2002 asset additions were \$10.4 million, \$7.6 million of which was spent on the sulphidic ore treatment plant and the remaining \$2.8 million on various smaller capital projects. Exploration expenditures in 2003 were \$7.9 million (2002 - \$6.2 million), \$3.3 million (2002 - \$2.0 million) of which was spent on the deep sulphide project and \$3.9 million (2002 - \$3.9 million) was spent on oxide programs.

During 2003, \$41.0 million (2002 - \$20.0 million) of profit distributions were paid to shareholders. The Company's share of these distributions was \$15.6 million (2002 - \$7.6 million). Operating cash flow (excluding changes in working capital) for 2003 at Sadiola was \$71.9 million (2002 - \$71.6 million) and cash balances at Sadiola as at December 31, 2003 were \$30.5 million (2002 - \$16.5 million). In January 2004, Sadiola distributed an additional profit distribution of \$7.0 million (Company share - \$2.7 million) to its shareholders.

At December 31, 2003, Sadiola's financial instrument position consisted of call options on 30,000 ounces (Company share - 11,400 ounces) of gold expiring in 2004 at an average price of \$385, carrying a mark-to-market loss of \$1.4 million (Company share - \$0.5 million).

For 2004, Sadiola is budgeted to produce 465,000 ounces of gold at a total direct cash cost of \$210 per ounce and a total operating cash cost, as defined by the Gold Institute, of \$215 per ounce. The production increase of 3 percent compared to 2003 results primarily from a higher level of ore being processed through the mill. Unit direct cash costs are expected to be comparable to 2003 levels. Over the past six months, the feasibility of mining the deposit using company-owned mining equipment operated by company personnel as opposed to continuing with a mining contractor has been studied and a final decision on this option will be made in the near future. A switch to owner mining will require capital expenditures on the order of \$50 to \$55 million. Operating costs would be lower in the longer term but there is a risk of incurring higher mining costs during the transition period. The mining contract with the current contractor has been extended to year-end 2004 to facilitate the decision.

YATELA MINE (IAMGOLD interest – 40%)

The Company owns an indirect 40 percent interest in a Malian registered company, La Société d'Exploitation des Mines d'Or de Yatela S.A. ("Yatela"). Yatela holds the mining and exploration permits for the Yatela mine in western Mali, 25 kilometres north of the Sadiola mine. AngloGold also owns an indirect 40 percent interest in Yatela and the Republic of Mali holds the remaining 20 percent. AngloGold is the mine operator.

A summary of significant operating statistics at Yatela is provided in the table below:

Summarized Results

100% Basis

	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total	2002 Total
Waste mined (000t)	3,530	3,750	3,560	7,890	18,730	15,910
Marginal ore mined (000t)	260	160	180	520	1,120	600
Ore mined (000t)	570	550	350	800	2,270	2,290
Total material mined (000t)	4,360	4,460	4,090	9,210	22,120	18,800
Strip Ratio*	6.6	7.1	10.7	10.5	8.7	7.2
Ore crushed (000t)	740	700	470	680	2,590	2,810
Head grade (g/t)	2.8	3.8	2.3	2.2	2.8	3.6
Gold stacked (oz)	67	85	35	49	236	327
Gold production - 100% (000 oz)	53	75	48	42	218	269
Gold sales - 100% (000 oz)	54	70	53	45	222	265
Gold revenue (US\$/oz)**	355	346	358	395	361	311
Direct cash costs (US\$/oz)	210	172	247	444	249	168
Production taxes (US\$/oz)	23	20	24	26	23	19
Total cash costs (US\$/oz)	233	192	271	470	272	187
Accounting adjustments (US\$/oz)***	(20)	11	(7)	(134)	(28)	(10)
GI cash cost (US\$/oz)	213	203	264	336	244	177
GI cash cost (US\$000)	11,400	15,231	12,743	13,874	53,248	47,589
IMG share - 40% (US\$000)	4,560	6,092	5,097	5,550	21,299	19,036
GAAP Reconciling items (US\$000)****	247	(218)	(49)	457	437	854
Mining expense (US\$000)	4,807	5,875	5,048	6,006	21,736	19,890

* Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

** Gold revenue is calculated as gold sales divided by ounces of gold sold.

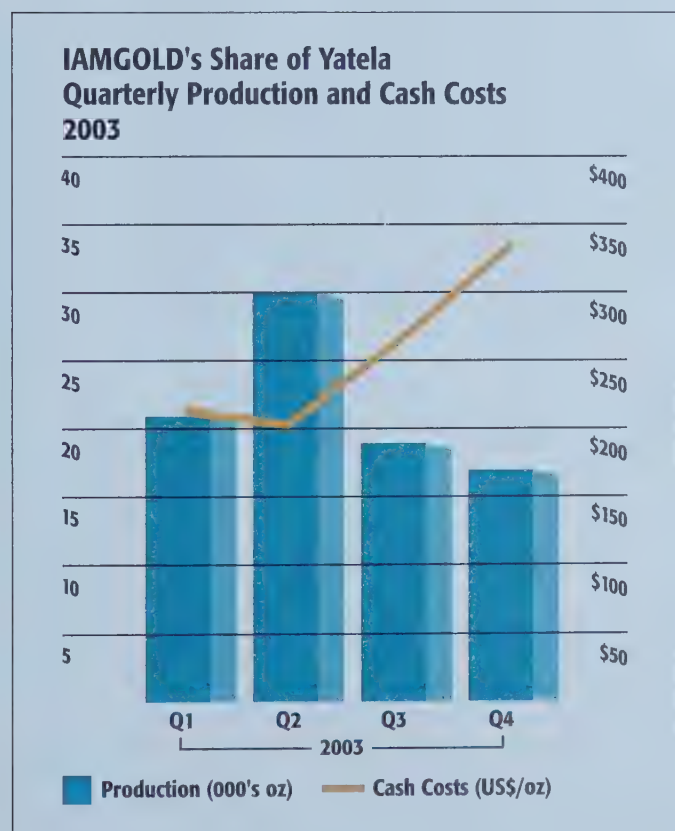
*** Accounting adjustments are made up of stockpile, gold in process, and deferred stripping adjustments.

**** GAAP reconciling items are made up of stock movement, mine interest and consolidation adjustments.

The sales price for gold at Yatela averaged \$361 per ounce in 2003 compared to \$311 per ounce in 2002. The mine had no exposure to any financial instrument over either reporting period.

Production for the fourth quarter at Yatela was 42,000 ounces of gold. For the year, production totaled 218,000 ounces, 19% lower than in 2002 and 7% below budget. The lower production was partially anticipated as the mine plan progressed through an area of ore at a lower grade than Yatela's Dec. 31, 2002 reserve grade of 3.5 g/t. However, a severe rainy season in Mali, coincided with the commissioning of a new crusher circuit and new leach pads causing problems in these areas which further reduced production levels, particularly in the third and fourth quarters. In 2003, approval was given to develop the nearby Alamoutala deposit and production from the Alamoutala pit began in August 2003. Production from Alamoutala will continue during the first half of 2004 and will supplement ore provided from the main Yatela pit. Cumulative gold recovery from start-up to the end of 2003 is in line with expectations at 82.4%.

Cash costs at Yatela were higher due to the higher cost of diesel fuel, labour and certain supplies purchased in euro-related or rand-related currencies and higher costs from the Alamoutala pit due to longer haulage distances. Per ounce cash costs were particularly impacted as a result of lower production levels.



Capital expenditures at Yatela totaled \$13.6 million (2002 - \$8.7 million), \$5.7 million (2002 - \$0.5 million) of which was spent on the development of Alamoutala, \$3.4 million (2002 - \$4.5 million) on the expansion of leach pads, \$2.2 million on the crusher installation and \$1.1 million (2002 - \$0.6 million) on exploration. The remaining \$1.2 million (2002 - \$3.1 million) was spent on project construction costs and various small capital projects.

During 2003, principal repayments on loans provided to construct the project totaled \$11.3 million (2002 - \$18.5 million). The Company received \$3.5 million (2002 - \$6.5 million) of this amount. Total project loans that remain outstanding at year-end 2003 total \$76.9 million (2002 - \$85.8 million). After the project investment is fully repaid to the Company and AngloGold, each will receive 40% of any Yatela cash distributions and the Government of Mali will receive the remaining 20%.

Operating cash flow (excluding changes in working capital) for 2003 at Yatela was \$28.0 million (2002 - \$34.8 million) (100% basis) and cash balances at Yatela as at December 31, 2003 were \$4.5 million (2002 - \$9.2 million).

For 2004, Yatela is budgeted to produce 275,000 ounces of gold at a total direct cash cost of \$230 per ounce and a total operating cash cost, as defined by the Gold Institute, of \$225 per ounce. Production is expected to revert to these more normal, longer-term levels compared to 2003 when the operations mined through a lower grade portion of the orebody and experienced significant production problems associated with the installation of a new crusher system and higher than normal rainfall during the wet season. The nearby Alamoutala deposit, brought into production in 2003, will be depleted as planned in the third quarter of 2004.

TARKWA MINE (IAMGOLD interest – 18.9%)

As a result of the business combination with Repadre, the Company owns an 18.9 percent interest in a Ghanaian registered company, Gold Fields Ghana Limited (“GFGL”). GFGL holds the mining and exploration permits for the Tarkwa mine in Ghana. Gold Fields Limited (“Gold Fields”) also owns 71.1 percent interest in GFGL and the Government of Ghana holds the remaining 10 percent. Gold Fields is the mine operator.

A summary of significant operating statistics at Tarkwa is provided in the table below:

Summarized Results

100% Basis

	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total	2002# Total
Waste mined (000t)	6,830	6,820	9,110	8,880	31,640	27,600
Marginal ore mined (000t)	40	30	40	130	240	300
Ore mined (000t)	3,970	4,090	4,380	4,160	16,600	15,430
Total material mined (000t)	10,840	10,940	13,530	13,170	48,480	43,330
Strip Ratio*	1.7	1.7	2.1	2.2	1.9	1.8
Ore crushed (000t)	3,850	3,720	4,080	3,920	15,570	15,105
Head grade (g/t)	1.4	1.4	1.4	1.4	1.4	1.6
Gold stacked (000 oz)	172	162	185	191	710	753
Expected yield (%)	74	75	75	73	74	76
Gold production & sales - 100% (000 oz)	136	129	148	142	555	524
Gold revenue (US\$/oz)**	342	336	361	391	358	304
Direct cash costs (US\$/oz)	187	204	200	215	201	194
Production taxes (US\$/oz)	11	10	11	12	11	9
Total cash costs (US\$/oz)	198	214	211	226	212	203
Gold-in-process adjustments (US\$/oz)	14	9	10	13	12	(16)
GI cash cost (US\$/oz)	212	223	221	240	224	187
Gold revenue less GI cash cost (US\$000)	17,715	14,592	20,628	21,411	74,346	
IMG share - 18.9% (US\$000)	3,348	2,758	3,899	4,047	14,052	
GAAP Reconciling items (US\$000)***	(1,844)	(1,684)	(1,868)	(1,917)	(7,313)	
Earnings from working interest (US\$000)	1,504	1,074	2,031	2,130	6,739	

* Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

** Gold revenue is calculated as gold sales, adjusted for hedge accounting, divided by ounces of gold sold.

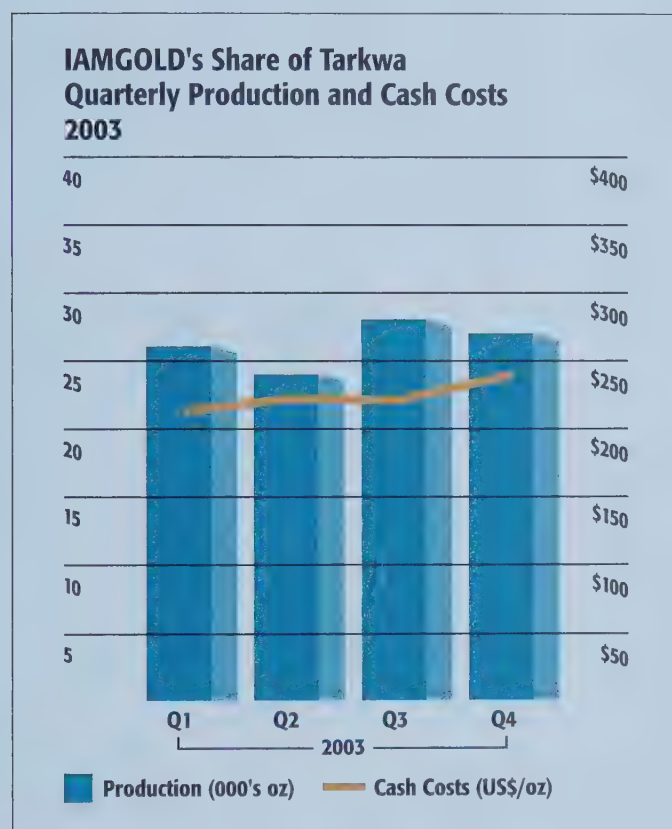
*** GAAP reconciling items are made up of stock movement, mine interest, mine depreciation, mine taxes and consolidation adjustments.

Shown on a pro forma basis for 2002.

The Company's average gold revenue at Tarkwa was \$358 per ounce in 2003. The discount below the average spot price of \$364 per ounce in 2003 resulted from the amortization of deferred hedge revenue from previously crystallized financial instruments.

Gold production at Tarkwa was 6% higher in 2003 than 2002. This increase is generally attributable to continuous efficiency improvements at all aspects of the operation.

Per ounce cash costs increased in 2003 due to additional definition drilling to enhance mineral resources and a 12% increase in material mined.



During May, the decision was made i) to construct a milling circuit at Tarkwa, and ii) to mine the deposit with company personnel and company-owned mining equipment rather than using a mining contractor. The 4.2 million tonne per annum mill was budgeted at \$85 million to construct. The initial fleet of mining equipment was forecast to cost \$75 million. The effect of these investments will be: i) an increase in the sustainable production rate to between 600,000 and 700,000 ounces per year, ii) an extension of the mine life, and iii) a lowering of the mining costs.

Total capital expenditures at Tarkwa in 2003 were \$57.2 million, \$28.9 million of which was spent on the construction of the new mill, \$3.7 million was spent on the new mining fleet, \$9.3 million was spent on leach pad expansions and \$15.4 million was spent on various smaller capital projects.

During 2003, a \$20.0 million profit distribution was paid to the mine shareholders. The Company's share of these distributions was \$4.0 million. From this amount, the Company remitted \$2.7 million to the mine as its share of a cash call for the Tarkwa mill expansion, resulting in net distributions received from Tarkwa of \$1.3 million in 2003. Operating cash flow (excluding changes in working capital) for 2003 at Tarkwa was \$74.6 million (100% basis) and cash balances at Tarkwa as at December 31, 2003 were \$30.1 million.

For 2004, Tarkwa is expected to produce 595,000 ounces of gold at a total direct cash cost of \$210 per ounce and a total operating cash cost, as defined by the Gold Institute, of \$220 per ounce. This production level is 7% greater than in 2003 as tonnes heap leached will be higher and some production will be derived from the new CIL mill. The final cost of the new mill is expected to be 5% to 10% over the budget of \$85 million primarily due to an increase in the cost of equipment not purchased in US\$. Mill commissioning is expected during the second half of the year. At mid-year, mining operations will switch from contract mining to owner-operated mining. This project is on schedule and on budget.

DAMANG MINE (IAMGOLD interest – 18.9%)

As a result of the business combination with Repadre, the Company owns an 18.9 percent interest in a Ghanaian registered company, Abosso Goldfields Limited ("Abosso"). Abosso holds the mining and exploration permits for the Damang mine in Ghana. Gold Fields also owns a 71.1 percent interest in GFGL and the Government of Ghana holds the remaining 10 percent. Gold Fields is the mine operator.

A summary of significant operating statistics at Damang is provided in the table below:

Summarized Results

100% Basis

	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total	2002# Total
Waste mined (000t)	3,530	3,720	2,600	2,400	12,250	12,120
Ore mined (000t)	1,120	1,440	1,410	1,280	5,250	4,300
Total material mined (000t)	4,650	5,160	4,010	3,680	17,500	16,420
Strip Ratio*	3.2	2.6	1.8	1.9	2.3	2.8
Ore milled (000t)	1,230	1,310	1,180	1,360	5,080	4,290
Head grade (g/t)	2.2	2.1	2.0	2.0	2.1	2.3
Recovery (%)	91	92	92	90	91	90
Gold production & sales – 100% (000 oz)	77	78	70	78	303	287
Gold revenue (US\$/oz)**	349	345	359	393	362	309
Direct cash costs (US\$/oz)	215	226	218	202	215	211
Production taxes (US\$/oz)	11	10	11	12	11	9
Total cash costs (US\$/oz)	226	236	229	214	226	220
Gold-in-process adjustments (US\$/oz)	21	(18)	(1)	15	4	6
GI cash cost (US\$/oz)	247	218	228	229	230	226
Gold revenue less GI cash cost (US\$000)	7,898	9,922	9,210	12,679	39,709	
IMG share – 18.9% (US\$000)	1,493	1,875	1,741	2,396	7,505	
GAAP Reconciling items (US\$000)***	(1,138)	(1,257)	(1,295)	(904)	(4,594)	
Earnings from working interest (US\$000)	355	618	446	1,492	2,911	

* Strip ratio is calculated as waste divided by full-grade ore.

** Gold revenue is calculated as gold sales divided by ounces of gold sold.

*** GAAP reconciling items are made up of stock movement, mine interest, mine depreciation, mine taxes and consolidation adjustments.

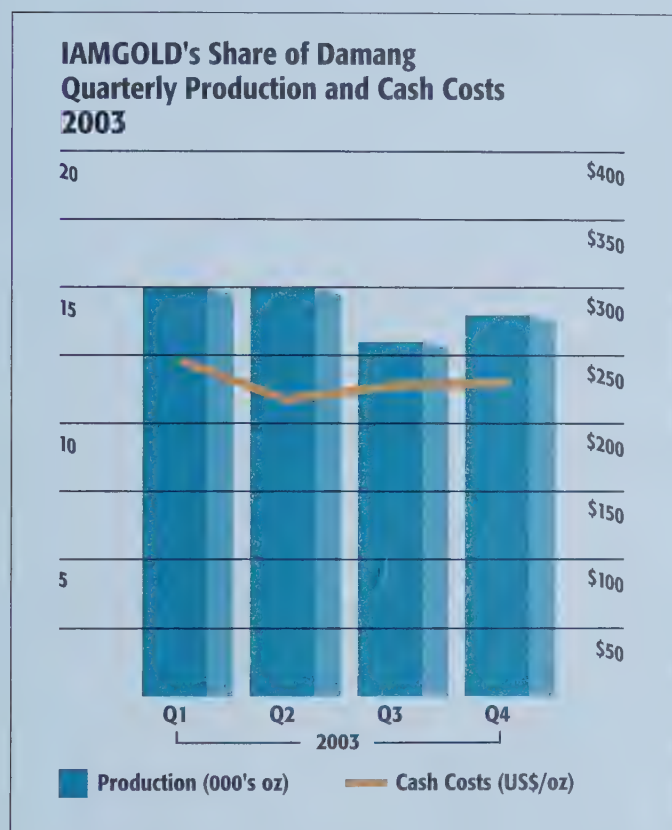
Shown on a pro forma basis for 2002 for 11 months only.

In general, performance at the Damang operation was above expectation in almost all categories.

The average gold sales price at Damang was \$362 per ounce in 2003. The mine had no exposure to any financial instruments during the year or in future.

Gold production at Damang for 2002 is not directly comparable to 2003 as it is for an eleven month period only.

Per ounce cash costs increased only minimally in 2003, primarily due to higher volumes being mined from satellite orebodies rather than from the main orebody.



Total capital expenditures at Damang in 2003 were \$2.8 million for a variety of small capital projects. Exploration expenditures were \$3.0 million for the year.

During 2003, shareholder loans were fully repaid. Total repayments were \$34.3 million, of which \$6.6 million was the Company's share. Future distributions from Damang will be received as dividends. Operating cash flow (excluding changes in working capital) for 2003 at Damang was \$36.7 million (100% basis) and cash balances at Damang as at December 31, 2003 were \$14.3 million.

For 2004, Damang is expected to produce 265,000 ounces of gold at a total direct cash cost of \$210 per ounce and a total operating cash cost, as defined by the Gold Institute, of \$235 per ounce. The production decrease is attributable to the processing of lower grade ores as the higher grade ores have been depleted.

IAMGOLD ATTRIBUTABLE PRODUCTION AND COSTS

The table below presents the production attributable to IAMGOLD's ownership in the four operating gold mines in West Africa along with the weighted average cost of production.

IAMGOLD Basis

	2003					2002
Production (000 oz)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Total
Sadiola - 38%	40	40	42	50	172	182
Yatela - 40%	21	30	19	17	87	107
Tarkwa - 18.9%	26	25	28	27	105	-
Damang - 18.9%	15	14	14	14	57	-
Total production	101	109	103	108	421	289
GI cash cost						
Sadiola - 38%	211	217	198	226	213	164
Yatela - 40%	213	203	264	336	244	177
Tarkwa - 18.9%	212	223	221	240	224	-
Damang - 18.9%	247	218	228	229	230	-
Weighted average	217	215	221	246	225	169

The Company's attributable share of gold production in 2004 from the above four operating mines is expected to be 445,000 ounces of gold at a total direct cash cost of \$215 per ounce and a total operating cash cost, as defined by the Gold Institute, of \$220 per ounce.

CORPORATE RESULTS

Mining Interests

	2003					2002
(US\$ 000's)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Total
Gold sales	\$ 23,529	\$ 23,514	\$ 22,117	\$ 27,447	\$ 96,607	\$ 89,824
Mining expense	13,955	13,649	12,889	17,211	57,704	49,513
Depreciation and depletion	5,386	5,503	6,129	6,819	23,837	20,588
Earnings from mining interests	\$ 4,188	\$ 4,362	\$ 3,099	\$ 3,417	\$ 15,066	\$ 19,723

The Company records its proportionate share of assets, liabilities and results from operations from its joint venture interests in the Sadiola and Yatela mines.

The Company's 2003 consolidated gold revenue was 8% higher than 2002. The increase is a result of consolidated revenue of \$371 per ounce in 2003 being 19% higher than the \$313 per ounce achieved during 2002, net of a 10% decrease in attributable production at Sadiola and Yatela. The Company recorded an increase to gold revenue of \$1.8 million in 2003 (2002 - \$1.8 million) to reflect the amortization of the deferred hedge revenue from previously crystallized financial instruments at Sadiola and also recorded a reduction to gold revenue of \$0.3 million in 2003 (2002 - \$0.2 million) to reflect its share of the change in the mark-to-market loss on Sadiola call options at December 31, 2003. The remaining \$1.7 million of deferred hedge revenue will be brought into income in 2004. All Yatela sales were made at spot prices.

The Company's share of Sadiola and Yatela operating expenses was 17% higher in 2003 than 2002. The increase is a result of a higher amount of material mined and higher unit costs at both mines. Total consolidated cash costs at Sadiola and Yatela in 2003 of \$224 per ounce increased from \$169 per ounce in 2002. Costs increased as a result of higher fuel and reagent costs and the depreciation of the US\$ at both mines, harder ore at Sadiola and longer haulage distances for Alamoutala at Yatela.

In 2003, the Company expensed \$0.2 million (2002 - \$0.8 million) for exploration at the mine level in accordance with Canadian accounting policies. All other exploration expenditures at Sadiola and Yatela were capitalized.

Depreciation was 16% higher in 2003 than in 2002 due mostly to Alamoutala costs at Yatela being depreciated over the economic life of the Alamoutala deposit versus the Yatela mine life.

Current income taxes include \$4.3 million (2002 - \$3.0 million) relating to the Sadiola operations, beginning on March 1, 2002 when Sadiola's five-year tax holiday ended. Yatela is currently not subject to income taxes as it is currently in a five-year tax holiday, ending July 3, 2006.

Working Interests

(US\$ 000's)	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total
Tarkwa	\$ 1,504	\$ 1,074	\$ 2,031	\$ 2,130	\$ 6,739
Damang	355	618	446	1,492	2,911
Earnings from working interests	\$ 1,859	\$ 1,692	\$ 2,477	\$ 3,622	\$ 9,650

The Company records on its consolidated statement of earnings the proportionate share of the profits from its working interests in the Tarkwa and Damang mines.

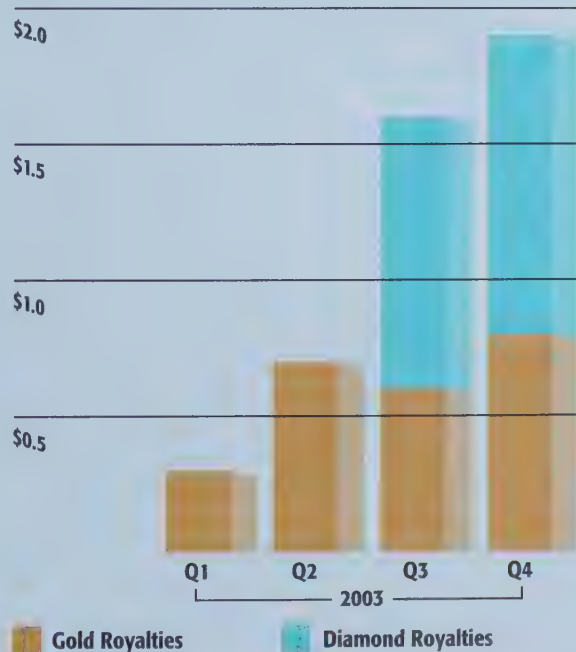
Repadre. The Company's share of the amortization and depreciation expense recorded in the determination of the above earnings was \$6.5 million.

The two working interests are recorded on the balance sheets at their fair values acquired at the time of the business combination with

Royalty Interests

(US\$ 000's)	1st Qtr	2nd Qtr	2003 3rd Qtr	4th Qtr	Total
Gold royalties					
Revenue	\$ 313	\$ 665	\$ 632	\$ 760	\$ 2,370
Amortization	224	434	441	487	1,586
Diamond royalties					
Revenue	-	-	1,014	1,120	2,134
Amortization	-	-	568	561	1,129
Earnings from royalty interests	\$ 89	\$ 231	\$ 637	\$ 832	\$ 1,789

2003 Quarterly Royalty Revenues
US\$ millions



Royalty income from the Diavik project, which recorded its initial sales during 2003, was \$2.1 million. For 2004, royalty income from the Diavik mine will increase as the mine should be at full production levels for the majority of the year. The recorded amount for royalty income is based upon sales during the year. As the amount of royalty payable is based upon production, the Company may be recording additional royalty income in 2004 attributable to production held in inventory at year-end 2003.

Royalty revenues were recorded in 2003 from the following gold royalty interests: the Williams mine in northern Ontario; the Joe Mann mine in Quebec; the Limon mine in Nicaragua; the Vueltas del Rio mine in Honduras; the Magistral mine in Mexico; and the Don Mario mine in Bolivia. The Company expects royalty income for 2004 from these mines to be at comparable levels to 2003.

Royalty interests have been recorded on the balance sheet of the consolidated Company at their estimated fair values, which is amortized over the expected production remaining at those operations.

EXPLORATION PROPERTIES

During 2003, the Company spent \$5.5 million (2002 - \$6.1 million) to advance various exploration properties in South America and Africa. All exploration expenditures, outside of operating mines, were expensed. Despite a reduction in the 2003 budget, by establishing joint ventures with major companies, the Company was able to maintain its high level of exposure to advanced drill-stage projects.

Ecuador

Total exploration spending was \$2.1 million in 2003 (2002 - \$1.5 million).

At IAMGOLD's 100%-owned Quimsacocha property, two diamond drill programs (totaling 6,600m in 19 holes) were completed in 2003. Significant gold, silver and copper mineralization in veins has been outlined over a strike-length of 300m and the next round of drilling will test strike extensions.

A revised geological model for the mineralization at Retazos was tested with five diamond drill holes. Assay results were low and a decision was taken to do no further work. A deal was signed with an Ecuadorian company exploring in the area, whereby IAMGOLD can earn a 3% royalty on certain of the Retazos properties.

At Norcay, 100%-owned by IAMGOLD, the initial 2,000m diamond drill program confirmed the presence of gold mineralization in a multi-vein system. A joint venture partner is being sought to fund further drilling.

The Condor JV with Gold Fields in the south of Ecuador drilled the El Mozo property in 2003. Gold mineralization was encountered in most holes but values were low and Gold Fields decided to do no further work on the property. IAMGOLD, using its own funding, plans to drill El Mozo in the first quarter of 2004. The Condor JV will drill test another property, Cañicapa, in 2004.

Argentina

Total exploration spending was \$1.2 million in 2003 (\$1.7 million in 2002).

A diamond drill program (2,238m in 11 holes) was carried out at Cerro Tornillo on the La Esperanza property. The drilling successfully demonstrated the existence of an intrusive diatreme breccia containing low gold values. A joint venture partner for the project is being sought.

An exploration joint venture on the Los Menucos project was signed with Barrick Gold Corporation. The latter will fund further exploration and the Company anticipates a drill program on the property in the second quarter of 2004.

Brazil

Total exploration expenditures amounted to \$0.8 million in 2003 (\$1.1 million in 2002).

At the Tocantins project, a 50/50 JV between the Company and AngloGold, reverse circulation drilling was carried out at Nova Prata (2,350m in 40 holes) and Chapada North (2,647m in 55 holes) in 2003. Follow-up exploration on other targets is planned for 2004.

The Company and AngloGold Brazil Ltda. signed the Gandarela JV agreement whereby the latter will fund exploration on what was previously referred to as the Moeda project. A 6,000m diamond drill program commenced in the third quarter of 2003 and in early 2004 three drills were working on the property.

Senegal

The Company spent \$1.1 million on the Bambadji and Daorala-Boto properties in 2003 (\$1.3 million in 2002).

A 12,000m/186 hole reverse circulation drill program completed in 2003 gave some of the most encouraging results ever obtained from the Bambadji project. The best results came from the structurally complex BA target where significant mineralization was intersected in two areas 800m apart. A joint venture partner is being sought to aggressively follow-up on these and other targets.

Mali

The Company spent \$0.02 million on direct exploration in the second half of 2003. This expenditure was for the compilation of various datasets of geological, geochemical and geophysical information covering southern Mali for the purpose of identifying properties with exploration potential.

ADMINISTRATION AND OTHER COSTS

Corporate administration expenses in 2003 were \$6.6 million (2002 - \$3.5 million). The increase is primarily attributable to the larger organization that resulted from the acquisition of Repadre in January, 2003. In the second quarter of 2003, the Company's head office was consolidated into one location, relieving the Company of the expense associated with maintaining two offices. In addition, the Company incurred \$1.0 million of restructuring charges related to the acquisition of Repadre.

In 2002, the Company accrued a \$2.9 million expense item as a result of the decision in the Kinbauri Gold Corporation ("Kinbauri") litigation. The decision awarded Kinbauri Cdn\$1.7 million related to damages, 10% simple interest from the commencement of the action and payment of Kinbauri's legal costs. To date, both parties have appealed the judgment and the appeals are expected to be heard in April 2004.

Foreign exchange losses were \$0.6 million in 2003 (2002 - gain of \$0.05 million). The Cdn\$/US\$ exchange rate at the beginning of 2003 was 1.59 and strengthened throughout the year to end at 1.30. As a result, foreign exchange gains of \$2.4 million were generated on translation of the Company's cash balances denominated in Canadian dollar balances into US dollars for financial statement purposes. Canadian dollar cash balances were substantially higher in 2003 as a result of the acquisition of Repadre. This gain was more than offset by a \$3.0 million non-cash foreign exchange loss due to the translation of the Company's Canadian based future tax liability into US dollars. Corporate investment income of \$2.4 million (2002 - \$0.5 million) increased mainly due to gains on sales of marketable securities and interest income earned on additional cash balances acquired from Repadre.

INCOME TAXES

Income tax expense of \$0.2 million was recorded for 2003 (2002 - \$2.2 million). The current amount of \$4.6 million for 2003 is primarily composed of \$4.3 million of income taxes relating to profits on the Sadiola operations and paid to the government of Mali. The recovery of future tax in the amount of \$4.4 million for 2003 is primarily composed of the following:

- The federal government introduced measures to reduce corporate income tax rates from 28% to 21% and to phase out the resource allowance, both over a five-year period. Accordingly the Company reduced its provision on the balance sheet for future income tax and recognized a one-time non-cash income tax recovery of \$2.5 million in the fourth quarter.
- In November, the Government of Ontario amended provincial income tax rates to increase to 14% effective January 1, 2004 rather than decrease to 8% by 2007. Accordingly the Company increased its provision on the balance sheet for future income tax and recognized a one-time non-cash income tax expense of \$2.9 million in the fourth quarter.
- A future tax recovery of \$3.2 million relating to the tax effect on reduced estimates of Sadiola profits attributable to Canada was recorded during 2003.

LIQUIDITY AND CAPITAL RESOURCES

The Company maintains a strong balance sheet and has sufficient liquidity and capital resources to fund its known commitments.

Working Capital

The Company's consolidated working capital position at December 31, 2003 is set out below (in \$ millions):

	2003	2002
Working Capital	\$ 118.5	\$ 56.9
Current Ratio	5.3	4.4

Cash

Consolidated cash balances totaled \$66.7 million at year-end 2003 compared to \$15.8 million at year-end 2002, and can be segmented as follows (in \$ millions):

	2003	2002
Joint venture cash	\$ 13.5	\$ 10.0
Corporate cash	53.2	5.8
Total	\$ 66.7	\$ 15.8

Joint venture cash represents the Company's proportionate share of cash at the Sadiola and Yatela mines and forms part of the working capital at those operations.

Corporate cash in 2003 increased by \$47.4 million (2002 decreased by \$8.2 million). Cash flows that determined this increase (decrease) can be shown as below (in \$ millions):

	2003	2002
Inflows		
Net cash acquired from Repadre	\$ 34.2	\$ -
Sadiola cash receipts	15.6	7.6
Share issuances, net of share issue costs	8.3	21.2
Damang cash receipts	6.6	-
Royalties received, net of withholding taxes	4.3	-
Yatela cash receipts, net of repayments to AngloGold	3.5	6.5
Foreign exchange gain on cash balances	2.4	-
Proceeds from sale of marketable securities	3.0	-
Tarkwa cash receipts, net of cash calls	1.3	-
Interest income	0.9	0.4
Proceeds from sale of gold bullion	-	1.5
Other	-	0.5
	\$ 80.1	\$ 37.7
Outflows		
Gold bullion purchase	\$ 16.2	\$ 32.0
Corporate administration	7.3	3.5
Exploration and exploration administration	5.5	6.1
Dividends	2.5	2.3
Investment and merger transaction costs	-	0.8
Yatela project funding	-	0.7
Other	1.2	0.5
	\$ 32.7	\$ 45.9
Net inflow (outflow)	\$ 47.4	\$ (8.2)

Gold Bullion

At the end of 2003, the Company held 144,743 ounces (2002 - 97,381 ounces) of gold bullion with an average cost of \$327 per ounce (2002 - \$314 per ounce) resulting in a total cost base of \$47.3 million (2002 - \$30.6 million) and a total market value of \$60.4 million (\$417 per ounce) (2002 - \$33.4 million (\$343 per ounce)).

Other Working Capital Items

Current accounts receivable increased by \$4.0 million in 2003 (\$6.3 million increase in 2002). \$1.6 million relates to receivables from royalty interests and \$0.6 million relates to corporate tax refunds receivable. Most of the remaining increase relates to rebates due from the Mali Government on diesel fuel purchases. During the fourth quarter of 2003, the Company reclassified its long-term

receivables relating to value added taxes receivable from the Mali Government at Sadiola to current receivables as amounts relate to current items and are expected to be collected within 12 months.

Financial Instruments

As at December 31, 2003, call options for an aggregate of 30,000 ounces of gold (Company's share 11,400 ounces) were outstanding at an average price of US\$385 per ounce in respect of the Sadiola gold mine. There are no financial instruments in place for the Yatela, Tarkwa and Damang mines and there are no plans to put any further financial instruments in place at this time.

The Company's functional currency is United States dollars. The Company does not currently use any derivative products to manage or mitigate any foreign exchange exposure.

Contractual Obligations

A summary of the Company's contractual obligations is presented in tabular form below (in \$ millions).

	Total	Payments due by period			
		Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	11.3	3.0	8.3	-	-
Operating lease obligations	0.9	0.3	0.5	0.1	-
Purchase obligations	8.9	3.0	5.9	-	-
Rehabilitation	11.1	0.5	1.5	3.5	5.6
Total contractual obligations	32.2	6.8	16.2	3.6	5.6

Long-Term Debt

The Company's long-term loans payable at December 31, 2003 of \$11.3 million (2002 - \$13.1 million) relate to Yatela loans from AngloGold to the Company for construction of the Yatela mine. These loans are non-recourse to the Company and are only secured against cash flows of the Yatela mine. These loans have no fixed repayment schedule. The timing of the repayments shown in the table above are based on the cash flow generation ability of the Yatela operations. During 2003, \$1.8 million (2002 - \$2.0 million) of the outstanding principal was repaid.

Lease Obligations

The majority of the Company's lease obligations relate to leases for office space, including the head office and exploration offices. These leases carry standard rights of sublet should the office space not be required.

Purchase Obligations

The Company does not have any material direct purchase obligations. The major indirect obligations relate to capital expenditures and the purchase of supplies at the operating mine entities. Purchase contracts associated with these expenditures normally contain standard termination clauses, although some include penalties. The only item shown in the table above is the Company's share of the purchase contract for cement at the Yatela mine.

Rehabilitation

The amounts indicated in the table above are the Company's share of the estimated decommissioning and rehabilitation costs that will be incurred at the four operating mines in which the Company has an interest. The timing of the expenditures is dependant upon the actual life of mine achieved.

Capital Expenditures

Capital expenditures for the Company primarily relate to expenditures made at the operating gold mines. At Tarkwa, the major expenditures are for the construction of a mill process facility and the purchase of a fleet of mining equipment. These expenditures will be financed in large part from internal cash flow generated by the operation. Any net impact on corporate liquidity is expected to be minimal. At Sadiola, a commitment may be made during the first half of 2004 to also purchase a fleet of mining equipment. It is expected that this purchase will be largely financed from internal cash flow at Sadiola, with minimal impact on corporate liquidity. All other capital requirements at the mining operations are sustaining in nature and will be financed through internal cash flow at the respective operation.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements are prepared in conformity with Canadian generally accepted accounting principles ("Canadian GAAP"). The accounting policies for the purposes of Canadian GAAP are described in note 1 to the consolidated financial statements. Significant differences between Canadian and U.S. GAAP are described in note 19 to the consolidated financial statements.

Preparation of the consolidated financial statements requires management to make estimates and assumptions. Management considers the following estimates to be the most critical in understanding the uncertainties that could impact its results of operations, financial condition and cash flows.

Mineral Reserves and Mineral Resources

A mineral reserve is a technical estimate of the amount of metal or mineral that can be economically extracted from a mineral deposit. Mineral reserve and mineral resource estimates are imprecise and depend heavily on geological interpretations and statistical inferences drawn from drilling and other data, which may prove to be unreliable. To determine the economics of extraction of the metal, reserve statements also require an estimate of the future price for the commodity in question and an estimate of the future cost of operations. A number of accounting estimates, as described below, are formulated from the reserve estimate.

Mining, Working and Royalty Interests

The carrying amounts shown on the balance sheet for mining, working and royalty interests are regularly tested for impairment of value. The critical variables in performing these tests are the reserve estimates, the estimate of future commodity prices and the estimate of the future costs of operation. An interest is considered impaired if its estimated future cash flow generation ability is less than its carrying value. If an impairment is identified, the interest is written down to its fair value. Impairment tests have been performed on mining, working and royalty interests using an estimated long-term price for gold of \$340 per ounce. During 2002 and 2003, no interests were identified as impaired.

Impairment of Goodwill

The carrying value for the goodwill on the balance sheet is tested annually for impairment. Goodwill has been proportionately allocated to the Tarkwa/Damang reporting unit and the gold royalty reporting unit based upon the underlying fair values of the assets within these two reporting units.

As gold companies have a history of being valued at a premium to the fair value of their assets, the impairment test revolves around the excess of the market capitalization of the Company over the sum of the fair values of underlying tangible assets less monetary liabilities. The excess is allocated proportionately to the fair value of all gold reporting units, (the "Allocated Excess"). If the goodwill allocated to any reporting unit exceeds its Allocated Excess, the goodwill is written down to the amount of the Allocated Excess. No write-downs of goodwill were recorded in 2003.

Depreciation, Amortization and Depletion

Depreciation, amortization and depletion of mining, working and royalty interests (other than equipment) is generally provided on a units-of-production or life-of-mine basis so that the interest is fully amortized over the life of the mine. Equipment at the mining operations is usually depreciated over its estimated useful life. The reserve and resource estimate for the operation in question is the prime determinant of the life of the mine and the consequent level of depreciation and amortization recorded in any one quarter or year. Overestimation of the reserve will result in the provision of insufficient depreciation and amortization charges over the life of the operation.

The Sadiola and Yatela mines record depreciation on a life-of-mine basis as calculated from the proven and probable mineral reserves. Based on current calculations, both operations will be fully depreciated in 2007. The Sadiola mine has significant additional mineral resources, which are expected to be converted into reserves over the next two years. At the point that the resources become reserves, the mine life will be extended and the depreciation rates reduced accordingly.

Depreciation at Tarkwa is provided on a units-of-production basis with an estimated 7.4 million ounces of gold being produced over the remaining life of the mine from December 31, 2003. Depreciation at Damang is also provided on a units-of-production basis with an estimated 730,000 ounces being produced over the remaining life of the mine from December 31, 2003.

Rehabilitation Provisions

The operating entities producing gold at Sadiola, Yatela, Tarkwa and Damang are obligated to decommission and rehabilitate those mine sites to an acceptable environmental standard as each operation reaches the point of final closure. Estimates of these costs have been made by personnel at the operations and these estimates are regularly reviewed and updated. Each year, provisions are accrued on the earnings statement of the respective operating entities so that by the end of operations, sufficient amounts will have been expensed to cover the estimated final decommissioning and rehabilitation costs.

At Sadiola, decommissioning and rehabilitation expenses are estimated to total \$11.3 million. The Company's share is 38% or \$4.3 million of which \$2.0 million has been provided to date and is recorded on the balance sheet. At Yatela, decommissioning and rehabilitation expenses are estimated to total \$9.5 million. The Company's share is 40% or \$3.8 million of which \$1.5 million has been provided to date and is recorded on the balance sheet.

The current amounts estimated for Tarkwa and Damang are \$13.5 million and \$5.8 million respectively. The Company's share of amounts accrued at Tarkwa and Damang are not shown on the Company's balance sheet as these interests are equity accounted.

Exploration Properties

The Company expenses all exploration costs prior to the completion of a definitive feasibility study which establishes proven and probable reserves.

Income Taxes

At the close of each accounting period, the Company estimates a liability for future income taxes. These taxes are primarily Canadian-based and arise from the difference between the book and the tax base of its assets and liabilities. As mining is capital

intensive with long-lived assets, these future tax provisions can be significant. Future income taxes are provided at expected future rates for such tax. In 2003, the federal government reduced future rates of corporate income tax while the Ontario provincial government raised rates. In addition, Canadian GAAP requires the calculated liability for future income tax to be translated to the Company's reporting currency of US dollars at current rates of exchange for each reporting period. There is no certainty that future income tax rates and exchange rates will be consistent with current estimates. Changes in tax and exchange rates increase the volatility of the Company's earnings.

CHANGES IN CANADIAN ACCOUNTING POLICIES

Accounting for Asset Retirement Obligations

In 2003, the CICA issued Section 3110 of the Handbook, "Accounting for Asset Retirement Obligations." Under Section 3110, the Company records the full amount of any obligation associated with the asset retirement, such as the reclamation associated with the end of a mine's life, as a liability. At the same time, a corresponding asset is recorded which is depreciated over the life of the asset. The Company is required to adopt Section 3110 on January 1, 2004. Any impact under this guideline is not expected to be material.

Stock Based Compensation

In November 2003, the CICA issued Section 3870 of the Handbook, "Stock-based Compensation." Under Section 3870, the Company is required to expense the estimated value of options issued to directors and employees on the earnings statement. The Company will retroactively adopt Section 3870 on January 1, 2004. The impact will result in a reduction to the 2004 opening retained earnings equal to the Company's pro forma expense of \$2.6 million for prior years relating to these options.

As at April 30, 2004, there were 145,536,179 million common shares of the Company issued and outstanding.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders and Directors of IAMGOLD Corporation

The accompanying financial statements, their presentation and the information contained in the annual report are the responsibility of management. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The financial information on the Company presented elsewhere in the annual report is consistent with that in the financial statements.

The integrity of the financial report process is the responsibility of management. Management maintains systems of internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and reliable financial information is produced. Management selects accounting principles and methods that are appropriate to the Company's circumstances, and makes certain determinations of amounts reported in which estimates or judgements are required.

The Board of Directors is responsible for ensuring that the management fulfills its responsibility for financial reporting. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee consists of outside directors. The Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues. The Committee satisfies itself that each party is properly discharging its responsibilities; reviews the quarterly and annual financial statements and any reports by the external auditors; and recommends the appointment of the external auditors for review by the Board and approval by the shareholders.

The external auditors audit the financial statements annually on behalf of the shareholders. The external auditors have full and free access to management and the Audit Committee.



Grant A. Edey
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of IAMGOLD Corporation as at December 31, 2003 and 2002 and the consolidated statements of earnings and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



KPMG LLP
Chartered Accountants
Toronto, Canada

March 3, 2004, except as to note 21, which is at March 31, 2004

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of U.S. dollars)

December 31, 2003 and 2002	2003	2002
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 66,675	\$ 15,835
Gold bullion (market value \$60,394; 2002 - \$33,377) (note 3)	47,283	30,578
Accounts receivable and other	21,443	17,450
Inventories (note 4)	10,397	9,793
	145,798	73,656
Marketable securities (note 5)	1,116	-
Long-term inventory	12,773	10,044
Long-term receivables (note 6, 13)	7,610	8,477
Working interests (note 7)	59,806	-
Royalty interests (note 8)	62,941	-
Mining interests (note 9)	84,925	96,852
Future tax asset (note 15)	47	304
Other assets	1,239	1,305
Goodwill (note 2)	74,886	-
	\$ 451,141	\$ 190,638
LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	\$ 27,259	\$ 16,772
Deferred revenue (note 10)	1,655	3,309
Non-recourse loans payable (note 11)	11,342	13,091
Future tax liability (note 15)	21,264	3,310
Rehabilitation provision (note 16)	3,518	2,150
<i>Shareholders' equity (note 12):</i>		
Common shares (issued: 145,333,845 shares; 2002 - 79,244,088)	342,208	118,289
Share options	2,138	8
Share purchase loans (note 13)	(266)	-
Retained earnings	42,023	33,709
	386,103	152,006
Contingencies and commitments (note 16)	\$ 451,141	\$ 190,638

See accompanying notes to the consolidated financial statements.



On behalf of the Board:

Bill Pugliese
Director



Joseph F. Conway
Director

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(Expressed in thousands of U.S. dollars, except per share amounts)

Years ended December 31, 2003 and 2002	2003	2002
Revenue:		
Gold sales	\$ 96,607	\$ 89,824
Royalties	4,504	-
	101,111	89,824
Expenses:		
Mining	57,704	49,513
Depreciation and depletion	23,837	20,588
Amortization of royalty interests	2,715	-
	84,256	70,101
	16,855	19,723
Earnings from working interests	9,650	-
	26,505	19,723
Other expenses (income):		
Corporate administration	6,626	3,539
Restructuring costs	987	-
Provision for litigation (note 16(a))	-	2,900
Exploration	5,496	6,088
Foreign exchange	576	(47)
Investment income	(2,421)	(452)
	11,264	12,028
Earnings before income taxes	15,241	7,695
Income taxes (recovery) (note 15):		
Current	4,644	3,014
Future	(4,442)	(854)
	202	2,160
Net earnings	15,039	5,535
Retained earnings, beginning of year	33,709	30,693
Dividends	(6,725)	(2,519)
Retained earnings, end of year	\$ 42,023	\$ 33,709
Basic earnings per share (note 12 (e))	\$ 0.11	\$ 0.07
Diluted earnings per share (note 12(e))	\$ 0.10	\$ 0.07

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars, except per share amounts)

Years ended December 31, 2003 and 2002	2003	2002
Operating activities:		
Net income	\$ 15,039	\$ 5,535
Items not affecting cash:		
Earnings from working interests, net of dividends	(5,658)	-
Depreciation and amortization	26,646	20,626
Deferred revenue	(1,654)	(1,655)
Future income taxes	(4,442)	(854)
Share options	314	-
Gain on gold bullion	-	(67)
Gain on sale of marketable securities	(1,510)	-
Unrealized foreign exchange losses (gains)	2,995	182
Change in non-cash current working capital	(18)	(6,690)
Change in non-cash long-term working capital	(1,074)	1,860
	30,638	18,937
Financing activities:		
Issue of common shares, net of issue costs <i>(note 12)</i>	8,314	21,227
Dividends paid	(2,519)	(2,306)
Restricted cash	-	6,033
Share purchase loan repayments	1,469	61
Proceeds from non-recourse loans	(9)	374
Repayments of non-recourse loans	(2,002)	(14,258)
	5,253	11,131
Investing activities:		
Net cash acquired from Repadre Capital Corporation <i>(note 2)</i>	34,232	-
Mining interests	(9,965)	(8,908)
Note receivable	785	1,136
Distributions received (paid) from (to) working interests	3,762	-
Purchase of gold bullion	(16,154)	(31,992)
Proceeds from gold bullion sales	-	1,481
Proceeds from disposition of marketable securities	3,032	-
Other assets	(743)	(1,282)
	14,949	(39,565)
Increase (decrease) in cash and cash equivalents	50,840	(9,497)
Cash and cash equivalents, beginning of year	15,835	25,332
Cash and cash equivalents, end of year	\$ 66,675	\$ 15,835
Supplemental cash flow information:		
Interest paid	\$ 204	\$ 564
Income taxes	\$ 4,314	\$ 3,015

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands of United States Dollars except per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES:

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. Summarized below are those policies considered significant to the Company. These policies are consistent with accounting principles generally accepted in the United States in all material respects except as outlined in note 19. Reference to the Company included herein means the Company and its consolidated subsidiaries and joint ventures.

(a) Basis of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Interests in joint ventures are accounted for by the proportionate consolidation method. These joint ventures include La Société d'Exploitation des Mines d'Or de Sadiola ("Sadiola") and La Société d'Exploitation des Mines d'Or de Yatela ("Yatela").

(b) Revenue recognition:

Revenue from the sale of gold is recognized when the gold doré is delivered to the refiner.

Royalty revenue is recognized when the Company has reasonable assurance with respect to measurement and collectability. The Company holds two types of royalties:

- (i)** Revenue based royalties such as Net Smelter Return ("NSR") or Gross Proceeds Royalties. Revenue based royalties are based on the proceeds of production paid by a smelter, refinery or other customer to the miner and revenue is recognized in accordance with the relevant agreement.
- (ii)** Profits based royalties such as a Net Profits Interests ("NPI") or a Working Interest ("WI"). An NPI is a royalty based on the profit after allowing for costs related to production. The expenditure that the operator deducts from revenues is defined in the relevant royalty agreements. Payments generally begin after pay-back of capital costs. The royalty holder is not responsible for providing capital nor covering operating losses or environmental liabilities. Revenue is recognized in accordance with the relevant agreement. A WI is similar to an NPI except working interest holders have an ownership position. A working interest holder is liable for its share of capital, operating and environmental costs. The Company records its interests in Gold Fields Ghana Limited and the Tarkwa mine ("Tarkwa") and in Abosso Goldfields Limited and the Damang mine ("Damang") as working interests.

(c) Gold bullion:

Investments in gold bullion are valued at the lower of average cost and net realizable value.

(d) Inventories and long-term inventory:

Gold doré, gold in process and ore stockpiles are valued at the lower of average production cost and net realizable value. Production costs include the cost of materials, labour, mine site overheads and depreciation to the applicable stage of processing. Ore stockpiles are classified as long-term inventory.

Mine supplies are costed on an average purchase cost basis with appropriate provisions for redundant and slow-moving items.

(e) Marketable securities:

Short-term investments in marketable securities are recorded at the lower of cost or market value. The market values of investments are determined based on the closing prices reported on recognized securities exchanges and over-the-counter markets. Such individual market values do not necessarily represent the realizable value of the total holding of any security, which may be more or less than that indicated by market quotations. Long-term investments in marketable securities are recorded at cost. When there has been a loss in the value of an investment in marketable securities that is determined to be other than a temporary decline, the investment is written down to recognize the loss.

(f) Loans receivable:

A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest. Loans where interest or principal is contractually past due are automatically recognized as impaired, unless management determines that the loan is fully secured. When a loan is classified as impaired, recognition of interest in accordance with the terms of the original loan agreement ceases.

(g) Mining interests, development and exploration properties:

Mining interests represent the capitalized expenditures related to the exploration, development and operation of mineral properties. Upon commencement of commercial production, all related capital expenditures for any given mining interest are amortized over the estimated economic life of the property. If a property is abandoned or deemed economically unfeasible, the related project balances are written off.

Canadian GAAP allows alternate treatment of mineral rights with respect to balance sheet classification. CICA Handbook Section 1581 *Business Combinations* defines such assets as intangible assets while CICA Handbook Section 3061 defines acquired mineral rights as property, plant and equipment. In the United States, the Securities and Exchange Commission has interpreted FASB 141 *Business Combinations*, which is consistent with CICA HB 1581, in such a way that under U.S. GAAP mineral rights are classified as intangible assets. The issue has been referred to the Emerging Issues Task Force (“EITF”) for its consideration. There can be no certainty as to the conclusions the EITF will reach, nor as to whether Canadian GAAP will continue to allow alternate treatments. Historically the Company has classified such assets, less the related accumulated depreciation, depletion and amortization, as “Mining Interests” on its consolidated balance sheet. The Company continues to believe this to be the appropriate classification under Canadian GAAP.

Exploration expenses incurred to the date of establishing that a property has mineral resources with the potential of being economically recoverable are charged against earnings. Exploration and development costs incurred subsequent to this date are capitalized until such time as the projects are brought into production or are deemed economically unfeasible. All administrative costs that do not directly relate to specific exploration and development activity are expensed as incurred. Interest costs are not capitalized until the decision to develop a property is made.

(h) Royalty interests:

The Company records its royalty interests at the lower of cost and net recoverable amount. Cost is defined as the consideration given to acquire the royalty interests plus associated external professional fees and travel expenses. Amortization of producing royalty interests is calculated on a units-of-production basis.

(i) Impairment of assets:

The Company periodically reviews its mining and royalty interests to ascertain whether an impairment in value has occurred. An asset is considered impaired if its carrying value exceeds its net recoverable amount. Net recoverable amount is management’s best estimate of undiscounted future cash flows.

If a mining or royalty interest is impaired, it is written down to fair value with the write-down charged to income.

(j) Plant and equipment:

Plant and equipment are depreciated annually on a straight-line basis using rates of 5% to 33%.

(k) Goodwill:

Goodwill is tested for impairment at least annually to ensure that the fair value remains greater than or equal to book value. Any excess of book value over fair value would be charged to earnings in the period in which the impairment is determined.

(l) Rehabilitation costs:

Estimated reclamation and mine closure costs are accrued and charged to earnings over the estimated life of the mine. These estimated costs are based on currently enacted legislation. Ongoing reclamation costs are charged to earnings the year they are incurred.

(m) Translation of foreign currencies:

The functional currency of the Company, its subsidiaries and joint ventures is considered to be the United States dollar. Exchange gains and losses on foreign currency transactions and foreign currency denominated balances are included in earnings in the current year.

(n) Fair values of financial instruments:

The carrying values of cash and cash equivalents (which include investments with remaining maturities of less than 90 days on purchase), accounts receivable and other, restricted cash, accounts payable and accrued liabilities and share purchase loans in the consolidated balance sheets approximate fair values due to the short-term maturities of these instruments.

Variable rate non-recourse debt and note receivable instruments are estimated to approximate fair values as interest rates are tied to short-term interest rates.

(o) Hedging:

The Company has, from time to time, entered into hedging transactions in order to manage exposure to decreasing prices on the sale of future production. Contracted prices on forward sales are recognized in sales as designated production is delivered to meet the commitment.

(p) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in earnings in the year that includes the date of enactment or substantive enactment.

Provisions are made for tax liabilities on anticipated repatriation of unremitted earnings of the Company’s foreign subsidiaries and joint ventures.

(g) **Stock-based compensation plans:**

The Company has two stock-based compensation plans, which are described in note 12. Compensation expense is recognized using the fair value-based method when stock options are issued to non-employees on or after January 1, 2002 (note 12(d)). No compensation expense is recognized when stock options are issued to directors and employees. Any consideration paid by directors and employees on exercise of stock options is credited to share capital.

(r) **Earnings (loss) per share:**

Basic earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted average number of common shares outstanding during the year. The calculation of diluted earnings (loss) per share uses the treasury stock method which adjusts the weighted average number of shares for the dilutive effect of options.

(s) **Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. The most significant estimates relate to the carrying values of mining and exploration properties, depreciation and depletion rates and accrued liabilities and contingencies. Actual results could be materially different from those estimates.

2. ACQUISITION:

On January 7, 2003, the Company acquired all of the issued and outstanding shares and assumed all of the common share options of Repadre Capital Corporation ("Repadre") in exchange for the issuance of 62,978,855 common shares and 2,712,000 replacement common share options ("Options"). Repadre, through its subsidiaries, owns non-controlling interests in mining operations in Ghana and owns royalties in diamond and gold mining operations. The purchase price has been determined to be \$218,331,000, including acquisition costs of \$820,000.

The acquisition has been accounted for by the purchase method with the fair value of the consideration paid being allocated to the fair value of the identifiable assets acquired and liabilities assumed on the closing date as set out below.

	Fair Value
Assets and liabilities acquired:	
Cash and cash equivalents	\$ 34,232
Gold bullion	535
Accounts receivable	1,331
Marketable securities	2,481
Long-term receivables	1,444
Working interests	58,040
Royalty interests	65,656
Other assets	60
Accounts payable and other liabilities	(1,096)
Future tax liability	(19,238)
Goodwill	74,886
	\$ 218,331
Consideration paid:	
Issue of 62,978,855 common shares of the Company	\$ 212,929
Issue of 2,712,000 common share options of the Company	4,582
Cost of acquisition	820
	\$ 218,331

3. GOLD BULLION:

	2003	2002
Ounces held	144,723	97,371
Acquisition cost (\$/oz)	327	314
Acquisition cost	\$ 47,283	\$ 30,578
Dec. 31 spot price for gold (\$/oz)	417	343
Dec. 31 market value	\$ 60,394	\$ 33,377

4. INVENTORIES:

	2003	2002
Gold doré	\$ 3,300	\$ 3,798
Mine supplies	7,097	5,995
	\$ 10,397	\$ 9,793

5. MARKETABLE SECURITIES:

At December 31, 2003, marketable securities were comprised of:

	Number of Shares or Warrants Held	Book Value	Market
Cross Lake Minerals Ltd.	1,000,000	\$ 58	\$ 139
Glencairn Gold Corporation*	2,889,050	1,058	2,340
		\$ 1,116	\$ 2,479

* Formerly Black Hawk Mining Inc.

6. LONG-TERM RECEIVABLES:

	2003	2002
Notes receivable from the Government of Mali (note 11)	\$ 6,635	\$ 7,420
Share purchase loans (note 13)	-	1,057
Loans receivable (a)	975	-
	\$7,610	\$ 8,477

(a) The Company holds a loan to Combined Metals Reduction Company, secured by a first mortgage on Combined Metals' Gabbs Valley property in Nevada. The loan is in default and Combined Metals has been in Chapter 11 bankruptcy protection since September 2002. The loan is recorded on the balance sheet for an estimated fair value of \$725,000.

The Company holds a loan to Addwest Minerals International Ltd., secured by Addwest's Gold Road gold property in Arizona. The loan is in default and is recorded on the balance sheet for an estimated fair value of \$250,000.

7. WORKING INTERESTS:

The Company holds an 18.9% working interest in Gold Fields Ghana Limited ("Tarkwa"), an unlisted Ghanaian company holding 100% of the Tarkwa gold mine in Ghana. The carrying value of this asset was recorded on the balance sheet on January 7, 2003 at its fair value of \$42,742,000. This amount includes an upward purchase price adjustment of \$4,617,000 which is amortized on a units-of-production basis over the life of the mine.

The Company also holds an 18.9% working interest in Abosso Goldfields Limited ("Damang"), an unlisted Ghanaian company holding 100% of the Damang gold mine in Ghana. The carrying value of this asset was recorded on the balance sheet on January 7, 2003 at its fair value of \$15,298,000. This amount includes an upward purchase price adjustment of \$6,261,000 which is amortized on a units-of-production basis over the life of the mine.

	Tarkwa	2003 Damang	Total
Balance, January 7, 2003	\$ 42,742	\$ 15,298	\$ 58,040
Investments	2,815	-	2,815
Income from working interests	6,739	2,911	9,650
Cash received	(3,992)	(6,707)	(10,699)
Balance, end of year	\$ 48,304	\$ 11,502	\$ 59,806

8. ROYALTY INTERESTS:

Investments in net royalty interests are:

	December 31, 2003		
	Cost	Accumulated Amortization	Net Royalty Interest
<i>Revenue producing properties</i>			
Diavik (a)	\$ 49,446	\$ 1,129	\$ 48,317
Don Mario (b)	4,162	182	3,980
El Limon (c)	1,233	252	981
Joe Mann (d)	-	-	-
Magistral (e)	3,109	91	3,018
Rex Diamond (f)	500	-	500
Vueltas del Rio (g)	350	290	60
Williams Mine (h)	6,203	771	5,432
<i>Non-revenue producing royalties</i>			
Dolores (i)	653	-	653
	\$ 65,656	\$ 2,715	\$ 62,941

Investments in royalty interests include royalties on mineral properties for which economically mineable reserves have yet to be proven. The recovery of these costs is dependent upon the properties' owners obtaining adequate financing and the development of economic mining operations. For royalty interests with a gold component, a price of US\$340 per ounce has been used in determining whether carrying values have been impaired. The cost of the royalty represents their fair value as of January 7, 2003.

Revenue producing royalties:

- (a) The Company owns a 1% royalty on certain claims in the Lac de Gras region of the Northwest Territories, including the Diavik lands controlled by Aber Diamond Corporation and Diavik Diamond Mines Inc.
- (b) The Company holds a 3% NSR royalty on the Don Mario gold-copper deposit in eastern Bolivia owned by Orvana Minerals Corporation.
- (c) The Company holds a 3% NSR royalty on the El Limon mining operation in Nicaragua owned by Glencairn Gold Corporation ("Glencairn"), formerly Black Hawk Mining Inc.
- (d) The Company holds a graduated NSR royalty on the Joe Mann mine in northwestern Quebec owned by Campbell Resources Inc. ("Campbell"). The royalty rate is 1.5% starting at a gold price of US\$325 per ounce and rising .01% for each \$1.00 increase in the price of gold to a maximum of 2.0% at a gold price of US\$375 per ounce or higher. After receipt of royalty payments of Cdn\$500,000, the royalty rate reduces to a flat 1% on gold prices at or greater than US\$350 per ounce. As at December 31, 2003, the Company has received a total of Cdn\$375,000 of royalty payments from Campbell.
- (e) The Company owns a sliding scale NSR royalty on mineral production from the Magistral gold property in Mexico owned by Queenstake Resources Ltd. The royalty rate is 1% on the first 30,000 ounces of gold production, 3.5% on the subsequent 350,000 ounces and 1% thereafter. As at December 31, 2003, the Company has received royalty payments related to 26,000 ounces of gold production.
- (f) The Company holds the right to receive an income stream equivalent to 2.5% of the gross revenue produced by the sale of all minerals from Rex Diamond Mining Corporation's properties in South Africa.
- (g) The Company holds a 2% NSR royalty on all precious metals produced from the Vueltas del Rio property in Honduras owned by Defiance Mining Corporation (formerly Geomaque Explorations Ltd.). The royalty rate increases by 1% for each US\$100 per ounce increase in the price of gold above US\$400 per ounce to a maximum rate of 5%.
- (h) The Company holds 720 units of The Williams Royalty Trust, equivalent to a 0.72% NSR royalty interest in the Williams mine in northern Ontario owned by Teck Cominco Limited and Barrick Gold Corporation.

Non-revenue producing royalties:

- (i) The Company holds a 1.25% NSR royalty on all gold produced from the Dolores property in Mexico owned by Minefinders Corporation Ltd.

9. MINING INTERESTS:

	2003			2002		
	Cost	Accumulated depreciation and depletion	Net book value	Cost	Accumulated depreciation and depletion	Net book value
Plant and equipment	\$ 98,076	\$ 58,071	\$ 40,005	\$ 92,738	\$ 45,035	\$ 47,703
Mining property and deferred costs	91,037	48,459	42,578	85,070	37,791	47,279
Construction in progress	2,342	-	2,342	1,870	-	1,870
	\$ 191,455	\$ 106,530	\$ 84,925	\$ 179,678	\$ 82,826	\$ 96,852

Mining interests are held through:

- (a) A 38% interest in the Sadiola joint venture which holds a mining permit covering the Sadiola Concession. Other shareholders include AngloGold Limited ("AngloGold") (38%), the Government of Mali ("GOM") (18%) and International Financial Corporation ("IFC") (6%).
- (b) A 40% indirect interest in the Yatela joint venture which holds a mining permit and the exploration rights covering the Yatela Gold Concession. Other shareholders include AngloGold (40%) and the GOM (20%).

The GOM interests in Sadiola and Yatela are free and carried interests.

10. DEFERRED HEDGE REVENUE:

Deferred revenue of \$1,655,000 arising from the termination of forward sales in 2001 but designated as hedges of future years' sales will be taken to revenues in 2004.

11. NON-RECOURSE LOANS PAYABLE:

	2003	2002
Yatela - non-recourse project loans	\$ 11,342	\$ 13,091
Note receivable from the Government of Mali, included in long-term receivables (note 6)	6,635	7,420
Net Yatela obligation	\$ 4,707	\$ 5,671

Yatela project loans:

The capital cost of the Yatela mine was funded equally by the Company and AngloGold. Pursuant to a shareholder agreement, AngloGold funded 15% of the project investment on behalf of the Company. This funding constituted a loan to the Company, bearing interest at the London Interbank Offer Rate ("LIBOR") plus 2%. The Yatela mining permit provides for the return of the project investment capital plus interest, to the Company and AngloGold, before any cash disbursements are made to the project shareholders. Project investment repayments are based on Yatela operating cash flows. 15% (\$11,342,000; 2002 - \$13,091,000) of Yatela's project investment repayments will be distributed on behalf of the Company to AngloGold as repayment of the project loan.

As at December 31, 2003, a note receivable of \$6,635,000 (2002 - \$7,420,000), included in long-term receivables, represents the Company's portion of all funding made on behalf of the GOM's free and carried interest. The note bears interest at the LIBOR plus 3%. Yatela project investment repayments will be distributed on behalf of the GOM to the Company as repayment of the note. The Company's net obligation for the Yatela project is \$4,707,000 (2002 - \$5,671,000).

After the project investment (principal and interest) is fully repaid to the Company and AngloGold, each will receive 40% of any Yatela cash distributions and the GOM will receive 20%.

12. SHARE CAPITAL:

(a) Authorized:

Unlimited first preference shares, issuable in series
 Unlimited second preference shares, issuable in series
 Unlimited common shares

Issued and outstanding common shares are as follows:

	Number of Shares	Amount
Balance, December 31, 2001	73,474,358	\$ 96,782
Shares issued for cash, net of issue costs (i)	4,000,000	17,679
Exercise of options	1,769,730	3,828
Issued and outstanding, December 31, 2002	79,244,088	118,289
Shares issued on acquisition of Repadre (ii)	62,978,855	212,839
Exercise of options	3,110,902	11,080
Issued and outstanding, December 31, 2003	145,333,845	\$ 342,208

(i) On June 6, 2002, the Company completed a share offering by way of Prospectus for 4,000,000 common shares at a price of Cdn\$7.00 per share, resulting in gross proceeds of \$18,264,000. Share issue costs of \$585,000, net of taxes, have been charged against the proceeds from the offering.

(ii) On January 7, 2003 in connection with the acquisition of Repadre (note 2), the Company issued 62,978,855 common shares and 2,712,000 replacement common share options with a value of \$212,839,000, net of shares issue costs of \$90,000, and \$4,582,000 respectively.

(b) Share option plan:

The Company has a comprehensive share option plan for its full-time employees, directors and officers and self-employed consultants. The options vest over three years and expire no longer than 10 years from the date of grant.

A summary of the status of the Company's share option plan as of December 31, 2003 and 2002 and changes during the year then ended is presented below. All exercise prices are denominated in Canadian dollars.

	2003		2002	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding, beginning of the year	4,983,437	\$ 5.18	6,189,501	\$ 4.41
Granted on acquisition of Repadre (a)(ii)	2,712,000	2.65	-	-
Granted	880,000	7.60	672,000	7.21
Exercised	(3,110,902)	3.75	(1,769,730)	3.38
Forfeited	(50,000)	4.37	(108,334)	3.22
Outstanding, end of year	5,414,535	\$ 5.13	4,983,437	\$ 5.18
Options exercisable, end of year	4,033,869	\$ 4.50	3,401,770	\$ 5.14

The following table summarizes information about stock options outstanding at December 31, 2003:

Range of Exercise Prices	Options outstanding			Options exercisable		
	Number outstanding, Dec. 31, 2003	Weighted average remaining contractual life-years	Weighted average exercise price	Weighted number exercisable, Dec. 31, 2003	Weighted average remaining contractual life-years	Weighted average exercise price
\$1.25 - \$2.00	301,668	6.6	\$ 1.28	301,668	6.6	\$ 1.28
\$2.01 - \$3.00	520,000	1.9	2.67	520,000	1.9	2.67
\$3.01 - \$4.00	1,427,800	6.4	3.80	1,226,467	6.2	3.78
\$4.01 - \$5.00	230,000	3.3	4.70	230,000	3.3	4.70
\$5.01 - \$6.00	1,452,400	2.2	5.74	1,422,400	2.1	5.75
\$6.01 - \$7.00	25,000	2.9	6.90	25,000	2.9	6.90
\$7.01 - \$7.88	1,457,667	8.8	7.55	308,334	7.9	7.48
	5,414,535	5.4	\$ 5.13	4,033,869	4.2	\$ 4.50

(c) *Share purchase plan and share bonus plan:*

The Company has a share purchase plan for employees whereby the Company will match the participants' contribution to purchase a maximum of 750,000 common shares and share bonus plan for employees to a maximum of 600,000 common shares. These plans were not active in 2003 or 2002.

(d) *Stock-based compensation:*

The Company expenses the fair value of all stock-based compensation granted to non-employees on or after January 1, 2002. During 2002, 150,000 options were granted to non-employees at an exercise price of Cdn\$7.35 per option. The value of these options was calculated to be \$2.35 per option. During 2003, \$314,000 (2002 - \$8,000) was recorded as compensation expense for these options. No new options were granted to non-employees during 2003.

Stock options granted to employees are accounted for as a capital transaction. The fair value of options granted to employees is not expensed on the statement of operations. The Company discloses in the table below the pro forma effect of accounting for stock option awards granted to employees subsequent to January 1, 2002, under the fair value based method.

In 2002, 507,000 options were granted to employees at an average exercise price of Cdn\$7.28 per option. The fair value of these options is calculated to be \$2.22 per option. In 2003, 830,000 options were granted to employees at an average exercise price of Cdn\$7.60 per option. The fair value of these options is calculated to be Cdn\$1.50 per option. The value of these options granted in 2002 and 2003 is expensed over the options' vesting period of three years. Also in 2003, 773,000 modified options at an average exercise price of Cdn\$5.40 per option were granted to non-continuing directors and severed employees as a result of the acquisition of Repadre. The fair value of these options is calculated to be \$2.11 per option. The effect of expensing these options on the statement of operations is shown on a pro forma basis in the table below:

	2003	2002
Net earnings for the year	\$ 15,039	\$ 5,535
Compensation expense related to fair value of employee stock options	2,474	128
Pro forma earnings for the year	\$ 12,565	\$ 5,407
Pro forma earnings per share, basic and diluted	\$ 0.09	\$ 0.07

The determination of the fair value of options is judgmental. The Company uses values calculated by the Black-Scholes option pricing model as a proxy for such fair value. Use of the Black-Scholes model has become the prevalent practice for estimating fair values of options. The Black-Scholes model, however, has some inherent weaknesses as it assumes that the options are tradable, have no vesting period and are transferable. Because of its limitations, the values produced from the Black-Scholes model do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

(e) *Earnings per share:*

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the year. Diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

Basic earnings per share computation:

	2003	2002
Numerator:		
Net earnings	\$ 15,039	\$ 5,535
Denominator (000's):		
Average common shares outstanding	142,954	76,452
Basic earnings per share	\$ 0.11	\$ 0.07

Diluted earnings per share computation:

	2003	2002
Numerator:		
Net earnings	\$ 15,039	\$ 5,535
Denominator (000's):		
Average common shares outstanding	142,954	76,452
Dilutive effect of employee stock options	2,373	1,175
Total average common shares outstanding	145,327	77,627
Diluted earnings per share	\$ 0.10	\$ 0.07

Stock options excluded from the computation of diluted earnings per share which could be dilutive in the future were as follows:

	2003	2002
Outstanding options (000's):	120	195

13. SHARE PURCHASE LOANS:

The Company provided share purchase loans to three officers and employees. During 2003, two of the loans were fully repaid and the third loan was partially repaid. At year-end 2003, the principal amount outstanding of the loan was \$0.3 million. The principal amount is secured by 140,000 shares of the Company.

In accordance with EIC 132, the share purchase loans balance for 2003 has been classified under shareholders' equity. The 2002 balance has not been restated and is included in long-term receivables.

14. RELATED PARTY TRANSACTIONS:

During 2003, the Company obtained management, office and other services from companies controlled by directors and significant shareholders of the Company in the amount of \$417,000 (2002 - \$466,000). These amounts are included in corporate administration expense.

15. INCOME TAXES:

The Company has a net future tax liability of \$21,217,000 (2002 - \$3,006,000), which is presented on the balance sheet as:

	2003	2002
Future tax asset	\$ 47	\$ 304
Future tax liability	(21,264)	(3,310)
Net future liability	\$ 21,217	\$ 3,006

The main components that give rise to future tax assets and future tax liabilities are as follows:

	2003	2002
Future tax assets:		
Mining assets	\$ 47	\$ 304
Other assets	148	46
Exploration and development expenses	10,292	3
Share issue costs	577	221
Non-capital losses	10,142	1,903
Corporate minimum tax credit	205	99
	21,411	2,576
Future tax liability:		
Royalty interests	(23,410)	-
Net profits interest	(2,541)	(5,582)
	(25,951)	(5,582)
	(4,540)	(3,006)
Valuation allowance	(16,677)	-
Net future tax liability	\$ 21,217	\$ 3,006

Income tax expense differs from the amount that would have been computed by applying the combined federal and provincial statutory income tax rate of 37% (2002 - 39%) to earnings before income taxes. The reasons for the differences are a result of the following:

	2003	2002
Earnings before income taxes	\$ 15,241	\$ 7,695
Computed "expected" tax expense	\$ 5,581	\$ 2,972
Increase (reduction) in income taxes resulting from:		
Earnings not subject to taxation	(2,631)	(574)
Earnings subject to different tax rates	(3,548)	(1,403)
Resource allowance	(257)	-
Change in enacted corporate income tax rates	429	-
Foreign exchange losses not tax benefited	1,364	-
Expenses not tax benefited	129	1,132
Other	(865)	33
	\$ 202	\$ 2,160

The Company has non-capital loss carry forwards for Canadian income tax purposes of \$28,028,000 available to reduce taxable income on or prior to 2010. Approximately \$17,000,000 of these non-capital loss carry forwards have not been tax benefited.

The non-capital losses will expire in the following years:

2004	\$ 15,643
2005	1,676
2008	2,548
2009	4,081
2010	4,080
	\$ 28,028

16. CONTINGENCIES AND COMMITMENTS:

- (a) The Company was a defendant in an action commenced in the Ontario Court of Justice (General Division) by Kinbauri Gold Corporation ("Kinbauri").

On December 10, 2002, the trial judge released reasons for judgement awarding damages to the Plaintiff in the amount of Cdn \$1.7 million. The trial judge awarded pre-judgement interest at the rate of 10% and costs to be determined by assessment. The Company has recorded an expense of \$2,900,000 in relation to this judgement.

The Plaintiff has filed a Notice of Appeal, dated January 20, 2003, appealing the damage award. The Company has filed a Notice of Cross-Appeal, dated January 31, 2003, also appealing the damage award and the pre-judgement interest rate. The appeals are expected to be heard in April 2004.

- (b) In December 2003, the Department of Taxation in Mali performed an audit of the mining operations at the Yatela and Sadiola mines in Mali for the years 2000, 2001 and 2002. The audit report claimed taxes and penalties payable of approximately \$15.6 million of which the Company's share is \$5.9 million. Sadiola and Yatela management have reviewed the claims with legal and tax advisors and are of the opinion that all taxes were properly paid and that the audit report is without merit. The Company will be working with the other partners in the Yatela and Sadiola mines to negotiate a withdrawal of the audit claims, failing which the mines may elect to commence arbitration to enforce their rights under their original Convention Agreements with the Government of Mali.
- (c) The Company's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. The Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Such estimates are, however, subject to change based on negotiations with regulatory authorities, changes in laws and regulations as new information becomes available.

17. FINANCIAL INSTRUMENTS:

As at December 31, 2003, the Company had 11,400 ounces (2002- 22,800) (proportionate share) of written call options outstanding at an average strike price of \$385 per ounce. The mark to market value of these call options represented a liability of \$538,000 (2002 - \$258,000) to the Company, which is included in accounts payable.

18. SEGMENTED INFORMATION:

- (a) Following the acquisition of Repadre Capital Corporation (note 2), the Company has identified the following reporting segments. The Company's share in assets, liabilities, revenue and expenses, and cash flows in those segments are as below:

2003	Joint Venture and Working Interests	Royalties	Corporate	Total
Cash and gold bullion	\$ 13,504	\$ -	\$ 100,454	\$ 113,958
Other current assets	28,970	-	2,870	31,840
Long-term assets	104,379	78,073	3,330	185,782
Long-term assets related to working interests	119,561	-	-	119,561
	\$ 266,414	\$ 78,073	\$ 106,654	\$ 451,141
Current liabilities	\$ 14,316	\$ -	\$ 12,943	\$ 27,259
Long-term liabilities	16,515	-	21,264	37,779
	\$ 30,831	\$ -	\$ 34,207	\$ 65,038
Revenues	\$ 96,607	\$ 4,504	\$ -	\$ 101,111
Earnings from working interests	9,650	-	-	9,650
Operating costs of mine	58,379	-	-	58,379
Depreciation and amortization	23,837	2,715	94	26,646
Exploration expense	-	-	5,496	5,496
Other expense	9	-	7,991	8,000
Interest & investment expense (income), net	(675)	-	(2,326)	(3,001)
Income taxes	4,571	126	(4,495)	202
Net earnings (loss)	\$ 20,136	\$ 1,663	\$ (6,760)	\$ 15,039

2002	Joint Venture and Working Interests	Royalties	Corporate	Total
Cash and gold bullion	\$ 10,052	\$ -	\$ 36,361	\$ 46,413
Other current assets	26,890	-	353	27,243
Long-term assets	114,620	-	2,362	116,982
	\$ 151,562	\$ -	\$ 39,076	\$ 190,638
Current liabilities	\$ 8,580	\$ -	\$ 8,192	\$ 16,772
Long-term liabilities	18,550	-	3,310	21,860
	\$ 27,130	\$ -	\$ 11,502	\$ 38,632
Revenues	\$ 89,824	\$ -	\$ -	\$ 89,824
Operating costs of mine	49,026	-	-	49,026
Depreciation and amortization	20,588	-	38	20,626
Exploration expense	-	-	6,088	6,088
Other expense	(37)	-	6,280	6,243
Interest & investment expense (income), net	487	-	(341)	146
Income taxes	2,713	-	(553)	2,160
Net earnings (loss)	\$ 17,047	\$ -	\$ (11,512)	\$ 5,535

(b) The Company's \$13,504,000 share of cash (2002 - \$10,052,000) in the joint ventures is non-discretionary.

The Company's share of joint venture cash flows is as follows:

	2003	2002
Cash flows from (used in) operations	\$ 33,798	\$ 27,832
Cash flows from (used in) financing	(21,116)	(21,352)
Cash flows from (used in) investments	(9,180)	(7,772)

19. SIGNIFICANT DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GAAP:

Canadian generally accepted accounting principles ("Canadian GAAP") varies in certain significant respects from the principles and practices generally accepted in the United States ("U.S. GAAP"). The effect of these principal differences on the Company's consolidated financial statements are quantified below and described in the accompanying notes.

Statement of earnings:

	2003	2002
Net earnings for the year reported under Canadian GAAP	\$ 15,039	\$ 5,535
Earnings from Sadiola and Yatela, under Canadian GAAP, using proportionate consolidation (a)	(10,756)	(17,369)
Equity earnings of Sadiola under U.S. GAAP (a)	9,590	11,724
Equity earnings of Yatela under U.S. GAAP (a)	1,306	5,945
Stock-based compensation (b)	(2,422)	(5,399)
Amortization of royalty interests (c)	(338)	-
Income taxes on above	116	-
Impact of change in accounting policy on adoption of SFAS 143 (iv)	12,535	436
Net earnings, U.S. GAAP	\$ 12,802	\$ 436
Basic and diluted earnings per share, U.S. GAAP:		
Before impact of accounting policy change	\$ 0.09	\$ 0.01
Impact of accounting policy change	-	-
Total basic and diluted	\$ 0.09	\$ 0.01

The effect of the U.S. GAAP differences discussed below on the Company's consolidated shareholders' equity is as follows:

	2003	2002
Shareholders' equity based on Canadian GAAP	\$ 386,103	\$ 152,006
Impact on shareholders' equity of U.S. GAAP adjustments:		
Sadiola equity accounting (a)	798	(6)
Yatela equity accounting (a)	(961)	(564)
Amortization of royalty interests (c)	(338)	-
Income taxes on above	116	-
Other comprehensive income (d)	1,086	-
Share purchase loans (e)	-	(1,057)
Shareholders' equity based on U.S. GAAP	\$ 386,804	\$ 150,379

(a) Investments in Sadiola, Yatela, Tarkwa and Damang:

Under Canadian GAAP, the Company accounts for its interest in the Sadiola and Yatela joint ventures by the proportionate consolidation method and its interest in the Tarkwa and Damang mines under the equity method as working interests. Under U.S. GAAP, the Company is required to equity account for all of its investments and record in earnings its proportionate share of their net income measured in accordance with U.S. GAAP.

For U.S. GAAP purposes, the Company's share of earnings from its investments have been adjusted for the following items:

(i) Deferred development costs:

Under U.S. GAAP, the Company is required to expense all costs prior to the completion of a definitive feasibility study which establishes proven and probable reserves. Under Canadian GAAP, costs subsequent to establishing that a property has mineral resources which have the potential of being economically recoverable, are capitalized.

(ii) Start-up costs:

U.S. GAAP requires start-up costs to be expensed as incurred. Canadian GAAP allows start-up costs to be capitalized until commercial production is established.

(iii) Depletion of mining interests:

U.S. GAAP requires depletion to be calculated using proven and probable reserves as the denominator in the calculation. Canadian GAAP allows depletion to be charged over the estimated economical life of the mine.

(iv) Rehabilitation provision:

As of January 1, 2003, the Company has adopted the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"), which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS 143 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation will be adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. If the obligation is settled for other than the carrying amount of the liability, the Company will recognize a gain or loss on settlement. Current year earnings reflects an increase of \$267,000 relating to the impact of a change in accounting policy on adoption of SFAS 143.

Pro forma earnings as if the change in accounting policy were applied retroactively is as follows:

	2003	2002
Pro forma net earnings	\$ 13,069	\$ 406
Pro forma earnings per:		
Basic and diluted	\$ 0.09	\$ 0.01

(v) Financial instruments:

Under Canadian GAAP the Company has accounted for its gold forward contracts as hedges, and as such, recognized gain and losses on these contracts in the period during which the production against which they were designated is sold. Under U.S. GAAP the majority of these forward contracts are regarded as normal course sale contracts. Certain contracts are regarded as cash flow hedges under U.S. GAAP, as such the effective portions of the changes in the fair value of the derivatives are recorded in other comprehensive income and are recognized in earnings when the hedge item affects earnings.

For equity method investments, the accounting for these investments represents the aggregate of: (a) capital contributions to the joint ventures, (b) the Company's proportionate share of the net earnings or loss of the joint ventures, and (c) distributions from the joint ventures.

The changes in the Company's equity method investments pursuant to U.S. GAAP are as follows:

	2003	2002
Equity method investments, beginning of year	\$ 123,859	\$ 119,897
Acquisition of Tarkwa and Damang (note 2)	58,040	-
Net earnings	21,051	18,042
Other comprehensive income	-	(245)
Distributions received	(29,820)	(14,170)
Additional investments	2,535	335
Equity method investments, end of year	\$ 175,665	\$ 123,859

The Company's proportionate share of the summarized balance sheet information of the joint ventures, accounted for by the equity method in accordance with U.S. GAAP, is as follows:

	2003					
	Tarkwa	Damang	Sadiola	Yatela	Other	Total
Current assets	\$ 15,916	\$ 6,606	\$ 32,547	\$ 9,742	\$ 185	\$ 64,996
Long-term assets, net	47,951	7,657	62,936	42,366	-	160,910
	\$ 63,867	\$ 14,263	\$ 95,483	\$ 52,108	\$ 185	\$ 225,906
Current liabilities	\$ 3,523	\$ 1,764	\$ 11,064	\$ 5,621	\$ 88	\$ 22,060
Long-term obligations and other	12,040	997	2,154	12,990	-	28,181
Equity	48,304	11,502	82,265	33,497	97	175,665
	\$ 63,867	\$ 14,263	\$ 95,483	\$ 52,108	\$ 185	\$ 225,906

The Company's proportionate share of the summarized results of operations of the investments, accounted for by the equity method in accordance with U.S. GAAP, are as follows:

	2003					
	Tarkwa	Damang	Sadiola	Yatela	Other	Total
Revenue	\$ 37,548	\$ 20,698	\$ 62,967	\$ 31,986	\$ -	\$ 153,199
Expenses (recoveries)	30,809	17,787	53,223	30,565	(236)	132,148
Net earnings (loss)	\$ 6,739	\$ 2,911	\$ 9,744	\$ 1,421	\$ 236	\$ 21,051

	2002				
	Sadiola	Yatela	Other	Total	
Revenue	\$ 55,187	\$ 32,982	\$ -	\$ 88,169	
Expenses (recoveries)	43,463	27,037	(373)	70,127	
Net earnings (loss)	\$ 11,724	\$ 5,945	\$ 373	\$ 18,042	

(b) Stock-based compensation:

The Company accounts for its stock based compensation under U.S. GAAP in accordance with FAS No. 123 for non-employees. Effective January 1, 2003, the Company adopted FAS No. 123 prospectively to all awards granted or modified in respect of employees and directors. Prior to 2003, the Company accounted for its stock based compensation for employees and directors under APB 25. Prior to June 2002, the Company had stock appreciation rights which were marked-to-market, resulting in an expense recorded for options granted to directors and employees. Under Canadian GAAP, stock options granted to non-employees prior to January 1, 2002 and to directors and employees prior to January 1, 2004 are accounted for as capital transactions when the options are exercised.

If the Company had accounted for its stock-based compensation plan for employees and directors under FAS No. 123 since the original effective date of the statement, the pro forma impact would have been as follows:

	2003	2002
Net earnings, U.S. GAAP	\$ 12,802	\$ 436
Add expense already recognized under APB 25	28	4,486
Additional expense under FAS No. 123	(322)	(682)
Pro forma net earnings	\$ 12,508	\$ 4,240
Pro forma earnings per share:		
Basic and diluted	\$ 0.09	\$ 0.05

(c) Amortization of royalty interests:

Under Canadian GAAP, depreciation and amortization may be calculated on the unit-of-production method based upon the estimated mine life, whereas under United States accounting principles, the calculations are made based upon proven and probable mineable reserves. This results in a higher amortization charge under U.S. GAAP for revenue producing royalties.

(d) Marketable securities:

Under U.S. GAAP, marketable securities are classified as "available for sale" and are recorded at fair value with unrealized holding gains and losses excluded from the determination of earnings and reported as a separate component of other comprehensive income.

(e) Share purchase loans:

Under U.S. GAAP, share purchase loans are deducted from shareholders' equity. Under Canadian GAAP, these loans are recorded as assets in 2002 and as a deduction to shareholders' equity in 2003.

Balance sheets:

The Company's balance sheets under U.S. GAAP are presented below:

	2003	2002
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 53,171	\$ 5,783
Gold bullion	47,283	30,578
Accounts receivable	319	143
Royalty receivables	1,658	-
Related party receivables	168	184
Corporate tax receivable	569	-
Prepaid expenses	155	26
	103,323	36,714
Marketable securities	2,479	-
Long-term receivable	975	-
Equity investments	175,665	123,859
Royalty interests	62,603	-
Goodwill	74,886	775
Fixed and other assets	1,239	531
	\$ 421,170	\$ 161,879
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 737	\$ 966
Accrued liabilities	1,570	720
Accrued liabilities - AngloGold	1,019	1,044
Accrued liabilities - legal settlement	2,900	2,900
Dividends payable	6,708	2,527
Related party payables	7	33
	12,941	8,190
Future tax liability	21,425	3,310
Shareholders' equity:		
Common shares	347,681	120,599
Stock options	8,789	7,408
Contributed surplus	78	78
Share purchase loans	(266)	(1,057)
Retained earnings	29,436	23,351
Other comprehensive income	1,086	-
	386,804	150,379
	\$ 421,170	\$ 161,879

Statements of comprehensive income:

In June 1997, the Financial Accounting Standards Board in the United States issued FAS No. 130 which established standards for reporting and display of comprehensive income and its components (revenue, expenses, gains and losses) in a full set of general purpose financial statements. FAS No. 130 requires that all items that are required to be recognized under accounting standards as components of comprehensive income to be reported in a financial statement that is displayed with the same prominence as other financial statements.

FAS No. 130 requires that the Company (i) classify items of other comprehensive income by their nature in the financial statement and (ii) display the accumulated balance of other comprehensive income separately from capital stock, contributed surplus and retained earnings in the shareholders' equity section of the balance sheet.

The statements of comprehensive income for the years ended December 31, 2003 and 2002 would be presented as follows on a U.S. GAAP basis:

	2003	2002
Net earnings based on U.S. GAAP	\$ 12,802	\$ 436
Other comprehensive gain:		
Marketable securities	1,086	-
Cash flow hedges	-	(245)
Comprehensive income based on U.S. GAAP	\$ 13,888	\$ 191
Comprehensive income per share, U.S. GAAP:		
Basic and diluted	\$ 0.10	\$ -

Pro forma statement of 2002 earnings (unaudited):

The pro forma revenues and earnings of the Company as if the acquisition of Repadre had occurred on January 1, 2002 would have been as follows:

Pro forma royalty revenues	\$ 1,667
Pro forma equity earnings from investments	\$ 24,997
Pro forma net earnings	\$ 6,251
Pro forma net earnings per share, basic and diluted	\$ 0.04

Statements of cash flows:

The Company's statements of cash flows under U.S. GAAP are presented below:

	2003	2002
CASH PROVIDED BY (USED IN):		
Operating activities:		
Net earnings, U.S. GAAP	\$ 12,802	\$ 436
Items not affecting cash:		
Depreciation and amortization	3,147	38
Future income taxes	(4,815)	(550)
Equity earnings of investees	(21,051)	(18,042)
Stock compensation	2,736	5,399
Gain on gold bullion	-	(67)
Gain on sale of marketable securities	(1,510)	-
Unrealized foreign exchange losses	3,041	-
Net profits interest received from Sadiola	15,580	7,600
Dividends received from Tarkwa	3,992	-
Changes in non-cash working capital:		
Current receivables	(1,056)	(25)
Accounts and related party payables	(1,518)	748
Accrued liabilities	825	2,845
Prepaid expenses	(129)	(11)
	(12,044)	(1,629)
Financing activities:		
Issue of common shares, net of issue costs	8,314	21,277
Share purchase loans	1,469	61
Dividends paid	(2,519)	(2,306)
	7,264	18,982
Investing activities:		
Net cash acquired from Repadre Capital Corporation (note 2)	34,232	-
Investments in Tarkwa	(2,815)	-
Investments in Yatela	-	(335)
Receipts from Damang	6,707	-
Receipts from Yatela	3,821	6,570
Other assets	(743)	(1,282)
Purchase of gold bullion	(16,154)	(31,992)
Proceeds from sale of gold bullion	-	1,481
Proceeds from disposition of marketable securities	3,032	-
	28,080	(25,558)
Decrease in cash and cash equivalents	47,388	(8,205)
Cash and cash equivalents, beginning of year	5,783	13,988
Cash and cash equivalents, end of year	53,171	5,783
Supplemental cash flow information:		
Income taxes paid	\$ -	\$ -

Impact of recent United States accounting pronouncements:

In April 2003, FASB issued Statement No. 149 which amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under FAS No. 133 "Accounting for Derivative Instruments and Hedging Activities". The Company is not affected by this pronouncement as it has no such derivative instruments or contracts.

In May 2003, FASB issued Statement No. 150 which establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. The Company does not believe it will be affected by this pronouncement as it has no financial instruments with such characteristics.

20. COMPARATIVE FIGURES:

Certain 2002 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2003.

21. SUBSEQUENT EVENT:

On March 31, 2004, The Company announced an agreement to enter into a business combination with Wheaton River Minerals Ltd. ("Wheaton"). The combination will be completed by way of a plan of arrangement whereby each Wheaton share will be exchanged for 0.55 of a IAMGOLD share of the Company as of March 30, 2004. As a result of the proposed transaction, the combined company will be held 68% by existing Wheaton shareholders and 32% by the Company's existing shareholders.

The combination is subject to due diligence, to be concluded before April 30, 2004 whereupon the parties will enter into a definitive agreement. The combination is subject to receipt of fairness opinions, all requisite regulatory approvals and third party consents and other conditions customary in transactions of this nature. The combination must be approved by at least two-thirds of the votes cast by the shareholders of Wheaton and by a majority of the votes cast by the Company's shareholders. The shareholder meetings are expected to be held in June 2004, with the transaction expected to close shortly thereafter.

If the combination does not occur as a result of one of the parties accepting a superior proposal from a competing bidder then the party which accepted the superior proposal will be required to pay a fee equal to three percent of its market capitalization to the other party.

Proved and Probable Mineral Reserves

	December 31, 2003 ⁽¹⁾				December 31, 2002 ^{(2) (3)}			
	Tonnes (Mt)	Grade (g/t)	Contained Gold		Tonnes (Mt)	Grade (g/t)	Contained Gold	
			100% (000's oz)	IMG Share (000's oz)			100% (000's oz)	IMG Share (000's oz)
SADIOLA ^{(4) (5)}								
Proved	6.5	1.9	405	154	6.3	1.8	369	140
Probable	19.9	3.6	2,289	870	25.5	3.2	2,652	1,007
Total	26.4	3.2	2,694	1,024	31.8	2.9	3,021	1,148
YATELA ⁽⁶⁾								
Proved	1.9	1.0	61	24	1.4	1.5	68	27
Probable	6.8	4.1	900	360	9.8	3.8	1,185	474
Total	8.7	3.3	961	384	11.2	3.5	1,253	501
Alamoutala								
Proved	0.4	1.8	21	8				
Probable	1.3	3.0	123	49				
Total	1.7	2.7	144	58				
Total	10.4	3.2	1,105	442	11.2	3.5	1,253	501
	June 30, 2003 ⁽⁷⁾				June 30, 2002 ⁽⁸⁾			
	Tonnes (Mt)	Grade (g/t)	Contained Gold		Tonnes (Mt)	Grade (g/t)	Contained Gold	
			100% (000's oz)	IMG Share (000's oz)			100% (000's oz)	IMG Share (000's oz)
TARKWA								
Proved	171.0	1.4	7,432	1,405	60.9	1.4	2,770	524
Probable	61.0	1.2	2,396	453	89.6	1.3	3,760	711
Total	232.0	1.3	9,828	1,858	150.5	1.4	6,530	1,235
DAMANG								
Proved	14.2	1.5	676	128	15.0	1.8	828	156
Probable	3.1	2.5	244	46	5.8	1.9	361	68
Total	17.3	1.7	919	174	20.7	1.8	1,189	225

(1) Using the JORC Code Sadiola 2003 pit optimized and designed on a US\$325/oz gold price and cut-off grade in calculating content of the pit.

(2) Using the JORC Code at US\$325/oz gold. Cut-off grades calculated for Plant Grade Ore [0.96g/t (oxide), 1.36g/t (sulphide)], Upper Marginal Ore [0.85g/t (oxide), 1.23g/t (sulphide)] and Lower Marginal Ore [0.5g/t (oxide), 0.78g/t (sulphide)].

(3) No grade control reconciliation factor has been applied to the reserves but a +5% factor was applied to the grade of oxide ore from the Sadiola pit for the purpose of Life-of-Mine planning.

(4) Plant recovery (2003) is assumed to be 95% for oxide and 82% for sulphides, (2002) is assumed to be 95% for oxides and 76% for sulphides.

(5) All the reserves in the "Proved" category are stockpile material. All the reserves classified as "Probable" are in-pit.

(6) Based on an economic mining cut-off of 1.17g/t and assumptions of an 85% recovery for oxides and a 75% recovery for sulphides.

(7) Based on a gold price of US\$325 per ounce and estimated in accordance with the SAMREC Code and reconciled to, and conform to, the JORC Code. No material differences arise in the estimate if the CIM classification system is used.

(8) Based on a gold price of US\$285 per ounce and estimated in accordance with the SAMREC and JORC codes with no material differences arising if the CIM classification is used.

Measured, Indicated and Inferred Resources ⁽¹⁾

	December 31, 2003				December 31, 2002			
	Tonnes (Mt)	Grade (g/t)	Contained Gold		Tonnes (Mt)	Grade (g/t)	Contained Gold	
			100% (000's oz)	IMG Share (000's oz)			100% (000's oz)	IMG Share (000's oz)
SADIOLA ⁽²⁾⁽³⁾								
Main Pit								
Measured	15.9	1.6	818	311	16.4	1.8	934	355
Indicated	22.6	2.6	1,904	724	31.3	2.6	2,598	987
Total M & I	38.5	2.2	2,722	1,035	47.7	2.3	3,532	1,342
Inferred	1.8	1.2	72	27	125.9	2.3	9,142	3,474
Deep Sulphide								
Measured	1.0	3.0	92	35				
Indicated	0.1	2.1	4	1				
Total M & I	1.1	2.9	95	36				
Inferred	130.0	1.8	7,532	2,862				
Satellites								
Measured	0.3	1.9	21	8	0.2	2.5	18	7
Indicated	3.8	2.7	328	125	3.8	2.7	328	125
Total M & I	4.1	2.6	349	133	4.0	2.7	347	132
Inferred ⁽⁴⁾	12.5	1.3	533	203	11.6	1.3	501	190
Total M & I	43.7	2.2	3,166	1,204	51.7	2.3	3,879	1,474
Total Inferred	144.3	1.8	8,137	3,092	137.5	2.2	9,643	3,664
YATELA								
Main Pit ^{(5) (6)}								
Measured	2.7	0.9	83	33	0.1	2.6	11	4
Indicated	13.6	2.6	1,127	451	12.3	3.1	1,229	489
Total M & I	16.3	2.3	1,210	484	12.4	3.1	1,240	493
Inferred	3.5	0.8	90	36	2.6	1.2	102	41
Alamoutala ^{(5) (7)}								
Measured	1.0	1.6	48	19				
Indicated	2.0	2.5	158	63	1.6	3.3	172	69
Total M & I	2.9	2.2	206	82	1.6	3.3	172	69
Inferred	0.9	1.9	56	22	2.5	2.3	183	73
Total M & I	19.2	2.3	1,416	566	14.0	3.1	1,412	562
Total Inferred	4.4	1.0	146	58	5.1	1.7	285	114
	June 30, 2003				June 30, 2002			
	Tonnes (Mt)	Grade (g/t)	Contained Gold		Tonnes (Mt)	Grade (g/t)	Contained Gold	
			100% (000's oz)	IMG Share (000's oz)			100% (000's oz)	IMG Share (000's oz)
TARKWA ^{(8) (9) (10)}								
Measured	198.9	1.4	8,975	1,696	171.8	1.5	8,211	1,552
Indicated	222.6	1.3	9,575	1,809	105.5	1.8	5,951	1,125
Total M & I	421.5	1.3	18,550	3,506	277.3	1.6	14,162	2,677
Inferred	50.4	2.3	3,759	710	52.6	2.8	4,728	894
DAMANG ⁽¹¹⁾								
Measured	17.2	1.5	853	161	17.1	1.8	1,003	190
Indicated	7.7	2.0	488	92	10.0	2.0	630	119
Total M & I	24.9	1.7	1,341	253	27.1	1.9	1,633	309
Inferred	2.9	1.9	175	33	2.6	1.8	150	28

(1) Measured and indicated resources include proved and probable reserves.

(2) For 2003, a cut-off of 0.7g/t gold was used for the measured and indicated resources of the Sadiola Main Pit, Deep Sulphides, FE-3, FE-4 within a US\$400/oz pit shell. For 2002 a cut-off of 0.7g/t gold was used for the Sadiola Pit within a US\$400/oz pit shell. For hard material below the US\$400/oz pit shell, a cut-off of 1.4g/t gold was used.

(3) For 2003, measured resources include soft oxide, hard oxide, soft sulphide, mixed and hard sulphide stockpile above a cut-off of 0.7g/t gold.

(4) For 2003, the inferred resources for the satellite deposits FE-4, FE-2, FN-3, Sekoto and Tambali South were calculated at a cut-off grade of 0.7g/t gold with no limiting shell.

(5) For 2003, a limiting pit shell based on a US\$400/oz gold price was used with cut-off grades of 0.4 g/t for Yatela Main Pit and 0.7g/t for Alamoutala. In 2002 cut offs of 0.6g/t within a US\$350/oz pit and 1.4g/t for hard material below that pit were used for the Yatela Main Pit.

(6) For 2002, measured resources did not include surface stockpiles (2.1Mt @ 1.2 g/t Au).

(7) For Alamoutala (2002) a cut-off of 1.0 g/t gold was used within US\$350/oz limiting pit shell.

(8) Measured resources include low grade surface stockpile.

(9) Mineral resources are at a gold price of \$400 per ounce and have been estimated in accordance with the South African Code for the reporting of Mineral Resources and Mineral Reserves (SAMREC Code) and have been reconciled to, and conform to, the JORC Code. No material differences arise in the estimate of mineral resources if the CIM classification system is used.

(10) Underground resource excludes all surface resources compiled at US\$400/oz. Underground resource compiled at a 3.4g/t Au cut-off and only potentially mineable areas were considered where the individual blocks had sufficient gold in them to warrant mining, furthermore there had to be sufficient lateral extent to support mining operations. Measured resources are those where the lower 90 percent confidence limit is within 7 percent of the mean. The stockpile tonnage and grade estimates are as placed.

(11) Gold recovery - 93.8% oxide, 89.4% fresh

- Damang IK7C model - 0.7 tonnage factor on material between 1.1 and 1.8g/t

- Damang IK7C model - 0.5 tonnage factor on material below 1.1g/t

- Damang IK7C model - 0.96 grade factor on material above cut-off grade

- Lima wire frame model - 0.98 tonnage factor on material above cut-off grades

- Lima wire frame model - 0.97 grade factor on material above cut-off grades

- Stockpiles reported as of 24th June 2003

Ore Reserves

The definitions of *reserves* under the JORC Code are as follows:

An **“ore reserve”** is the economically mineable part of a measured or indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore reserves are subdivided in order of increasing confidence into probable ore reserves and proved ore reserves.

A **“probable ore reserve”** is the economically mineable part of an indicated, and in some circumstances measured, mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A **“proved ore reserve”** is the economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Mineral Resources

The definitions of *mineral resources* under the JORC Code are as follows:

A **“mineral resource”** is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are subdivided, in order of increasing geological confidence, into inferred, indicated and measured categories.

An **“inferred mineral resource”** is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and is assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

An **“indicated mineral resource”** is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information

gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A **“measured mineral resource”** is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity.

Unless otherwise stated, where the terms ore reserve, proved ore reserve, probable ore reserve, mineral resource, measured mineral resource, indicated mineral resource or inferred mineral resource are used in this report, such terms have the above meanings. Mineral resources, which are not ore reserves, do not have demonstrated economic viability. These definitions, as set forth in the JORC Code have been reconciled to the definitions in the CIM Standards adopted under NI 43-101. If mineral resources and ore reserves for the Sadiola Gold Mine, the Yatela Gold Mine, the Tarkwa Gold Mine and the Damang Gold Mine were estimated in accordance with the definitions in the CIM Standards, there would be no substantive differences in the resource and reserve estimates for such mines set forth herein.

Competent Persons

For both the 2002 and 2003 resource and reserve statements at the Tarkwa and Damang mines, the Competent Person responsible is Gary Chapman, Manager, Mine Planning and Resource Management, Tarkwa and Damang mines. Mr. Chapman has a B.Sc. (Hons) Geology from the University of Natal, is a professional natural scientist of the South African Council for Natural Scientific Professions (SACNASP) and has worked as a geologist for 27 years. As a result of his education, affiliation with a professional association and past relevant work experience, Mr. Chapman fulfills the requirements to be a “Qualified Person” for the purposes of NI 43-101.

For 2003, resource and reserve statements at the Sadiola and Yatela mines the Competent Persons responsible for the statements include Sadiola and Yatela mine geologists G. Cooper, T. Gell, M.A. Thiel, E.J. Smuts, R. van der Westhuizen and S. Bamforth. Reserves and resources calculated by the mine staff underwent an audit by Competent Persons at AngloGold, Johannesburg, including V. Chamberlain and D. Worrall. As a result of the education, affiliation with professional associations and past relevant work experience, these individuals fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.

The reserves and resources for Sadiola and Yatela as of December 31, 2002 were calculated by the mine geologist and audited by AngloGold personnel. The Competent Persons involved were M.A. Thiel, E.J. Smuts, R. van der Westhuizen, T. Gell, C. Marshall, B. Parsons, V. Chamberlain and D. Worrall.

IAMGOLD Five Year Review

(Expressed in thousands of US dollars, except per share and outstanding data)

	2003	2002	2001	2000	1999
Cash & gold bullion	\$113,958	\$ 46,413	\$ 31,365	\$ 43,602	\$ 67,128
Total current working capital	118,539	56,884	25,807	15,886	32,745
Total assets	451,141	190,638	176,598	175,795	177,639
Net earnings for the year	15,039	5,535	10,948	10,050	14,194
Basic net earnings per share	0.11	0.07	0.15	0.14	0.19
Diluted net earnings per share	0.10	0.07	0.15	0.14	0.19
Common shares outstanding (millions) (adjusted for consolidation)	145.3	79.2	73.5	73.4	73.4

Note: prior year amounts have been restated to conform with the financial statement presentation adopted for 2003.

Quarterly Financial Review

(Expressed in thousands of US dollars, except per share and outstanding data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2003					
Gold Sales	\$ 23,529	\$ 23,514	\$ 22,117	\$ 27,447	\$ 96,607
Net earnings*	3,405	2,020	4,401	5,213	15,039
Basic earnings per share*	0.03	0.01	0.03	0.04	0.11
Diluted earnings per share*	0.02	0.01	0.03	0.04	0.10

* Restated to reflect a change in accounting estimates relating to future income taxes.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2002					
Gold Sales	\$ 21,289	\$ 19,291	\$ 24,505	\$ 24,739	\$ 89,842
Net earnings	3,973	1,230	1,816	(1,484)	5,535
Basic and diluted earnings per share	0.05	0.02	0.02	(0.02)	0.07

Corporate and Shareholder Information – Board of Directors



William D. Pugliese

William D. Pugliese – Chairman, Director ⁽³⁾

Mr. Pugliese served as Chairman, Chief Executive Officer and Director of the Company since its inception in March 1990 to January 2003. He participated directly in the development of the Sadiola concession in Mali through his dealings with government officials and joint-venture partners. Mr. Pugliese has an extensive business background developed over a period of 25 years as principal shareholder in a number of private companies, including the Fundeco Inc., Group of Companies.



Joseph F. Conway

Joseph F. Conway – President and CEO, Director

Mr. Conway joined IAMGOLD as President, CEO and Director in early 2003 via the IAMGOLD/Repadre business combination. He joined Walwyn Stodgell Cochran and Murray as a stock analyst from 1987 to 1989. From 1989 to 1995, he was a Vice President and Director with Nesbitt Burns, a Canadian investment dealer. From September 1995 to January 2003, Mr. Conway was President, CEO and Director of Repadre Capital Corporation. He is also a Director for Abosso Goldfields Limited and Gold Fields Ghana Limited.



Gordon J. Bogden

Gordon J. Bogden – Director ^{(2) (3)}

Mr. Bogden has been a board member since 2002. He is currently, Managing Director, Head of the Mining Group at National Bank Financial. He was formerly Managing Director and President of Beacon Group Advisors Inc. Prior to this, he was a Director of Investment Banking at Newcrest Capital Inc. before it was acquired by TD Securities Inc. He was also Managing Director of N M Rothschild & Sons Canada Limited and a Managing Director of Investment Banking with CIBC Wood Gundy Securities Inc. Mr. Bogden also worked as a professional engineer and geophysicist and was a co-founder of Quantech Consulting Inc. Mr. Bogden is a director of several public mining and investment companies.



John A. Boulton

John A. Boulton – Director ⁽¹⁾

A board member since October 1994, Mr. Boulton was Vice President, Finance and Treasury of Hollinger Inc. (Toronto) from 1986 to 1998. He has been Executive Vice President and Chief Financial Officer from 1992 to 2002 and Executive Vice President since then. Mr. Boulton is also a Director of Hollinger Inc., Argus Corporation Limited and Consolidated Enfield Corporation.



Derek Bullock

Derek Bullock – Director ^{(1) (3)}

A board member since October 1994, Mr. Bullock is a mining engineer with over 40 years international experience and was formerly President and Chief Operating Officer of the Company. He is currently the President of Delitova Corporation, a mining and mineral resources company. Mr. Bullock also serves as a director of CANARC Resources Corporation, High River Gold Mines and Goldcrest Resources Ltd. He recently retired as the Canadian Institute of Mining Adjunct Professor of Mining Engineering at the University of Toronto.



Donald K. Charter

Donald K. Charter – Director ⁽²⁾

Mr. Charter was a board member with IAMGOLD from 1996 to 2001. Mr. Charter re-joined the Board through the IAMGOLD/Repadre business combination in 2003. Mr. Charter has been associated with the Dundee Group of Companies since 1996 and holds many roles within that company. He is Executive Vice President of Dundee Bancorp Inc., Executive Vice President of Dundee Wealth Management, Chairman and Chief Executive Officer of Dundee Securities Corporation and Dundee Private Investors Inc. Prior to joining Dundee Bancorp Inc., Mr. Charter was a partner at Smith Lyons. Mr. Charter sits on the board of a number of companies including Dundee Wealth Management Inc., Dundee Real Estate Investment Trust, Breakwater Resources Ltd., and Glencairn Gold Corporation.



Mahendra Naik

Mahendra Naik – Director ^{(1) (2)}

Mr. Naik is a Chartered Accountant and has been associated with the Company since its inception in March 1990 and served as Chief Financial Officer of the Company until 1999. Mr. Naik is currently President and Chief Executive Officer of Yellow Online Inc. and Chief Financial Officer of the Fundeco Inc., Group of Companies. Prior to March 1990, Mr. Naik was a principal of Coopers & Lybrand, Chartered Accountants. Mr. Naik is a director of number of private companies including goldmoney.com.



Robert A. Quartermain

Robert A. Quartermain – Director ⁽³⁾

Mr. Quartermain joined the Board of Directors via the IAMGOLD/Repadre business combination. He has been involved in the resource industry for over 25 years. Mr. Quartermain has been President of Silver Standard Resources Inc. since 1985. He has been involved as a director or officer of a number of public resource companies.

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance Committee

Corporate and Shareholder Information

Officers of the Company

William D. Pugliese
Chairman, Director

Joseph F. Conway
*President, Chief Executive Officer,
Director*

Grant A. Edey
Chief Financial Officer

Larry E. Phillips
*Vice President, Corporate Affairs
and Corporate Secretary*

Paul B. Olmsted
Vice President, Corporate Development

Dennis Jones
Vice President, Exploration

Thomas R. Atkins
Vice President, Investor Relations

Claude Barjot
Vice President, Corporate Affairs, Africa

Glynnis Frelih
Corporate Controller

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Regional Manager
Stèle Mermoz
Angle des Routes:
Ouakam x Pyrotechnie
B.P. 5820 Dakar-Fann
Dakar, Sénégal
Tel: 221 824 6191
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IAMGOLD South America:

Argentina
Francisco Azevedo
Regional Manager
Julio A. Roca 234 - Ciudad
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Tel: 54 261 429 8567
Fax: 54 261 420 3857

Brazil
Milton Prado
Regional Manager
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Salas 902/904
Savassi
Belo Horizonte 30112-000
Minas Gerais, Brasil
Tel: 55 31 3 282 6690
Fax: 55 31 3 282 6685

Ecuador
Richard Spencer
*Manager,
South American Exploration*
IAMGOLD Corporation
President
IAMGOLD South America Corporation
El Tiempo N37-67 y El Comercio
Quito, Ecuador
Tel: 593 2 246 8674

Corporate Offices

IAMGOLD Corporation
220 Bay Street, 5th Floor
Toronto, Ontario M5J 2W4
Canada
Tel: 416 360 4710
Fax: 416 360 4750

Investor Relations

For investor and media inquiries and requests for additional copies of this annual report please contact the Investor Relations Department:

Denise Steyn
Executive Assistant, Investor Relations
Tel: 416 360 4728
e-mail: info@iamgold.com
website: www.iamgold.com

Annual Meeting

We invite all shareholders to join us on:
Tuesday, June 8, 2004 at 12:00 noon
Design Exchange
234 Bay Street, Toronto Dominion Centre
Toronto, Ontario M5K 1B2

Note: Guests wishing to attend the Company's annual meeting are asked to contact the Investor Relations Department in order to have their names added to the register.

Auditors

KPMG LLP
Suite 3300, Commerce Court West
P.O. Box 31, Stn. Commerce Court
Toronto, Ontario M5L 1B2

Transfer Agent and Registrar

Computershare Trust Company of Canada
100 University Avenue
Toronto, Ontario M5J 2Y1
Tel: 416 981 9633
Toll free: 1 800 663 9097
Website: www.computershare.com
e-mail: caregistryinfo@computershare.com

Legal Counsel

Fraser Milner Casgrain
100 King Street West
First Canadian Place, Suite 3900
Toronto, Ontario M5X 1B2

Stikeman Elliot LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Dorsey & Whitney LLP
Canada Trust Tower
BCE Place
161 Bay Street, Suite 4300
P.O. Box 512
Toronto, Ontario M5J 2S1

Forward Looking Statements

Certain statements in this document constitute “forward looking statements” within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others; economic, business and political conditions, decreases in the market, the price of gold, hazards associated with mining, labour disruptions, changes in government, exchange rates, currency devaluations; inflation and other macro-economic factors. These forward looking statements speak only as of the date of this document.

The company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Corporate Securities

IAMGOLD common shares are traded on the Toronto Stock Exchange under the symbol IMG and on The American Stock Exchange under the symbol IAG.

The Company's filings with the Ontario Securities Commission may be accessed on SEDAR at: www.sedar.com.

The Company's filing with the U.S. Securities and Exchange Commission may be accessed at the SEC's website at: www.sec.gov.

Shares Issued

(as at December 2003)
Total Outstanding: 145.3 million
Fully Diluted: 150.7 million

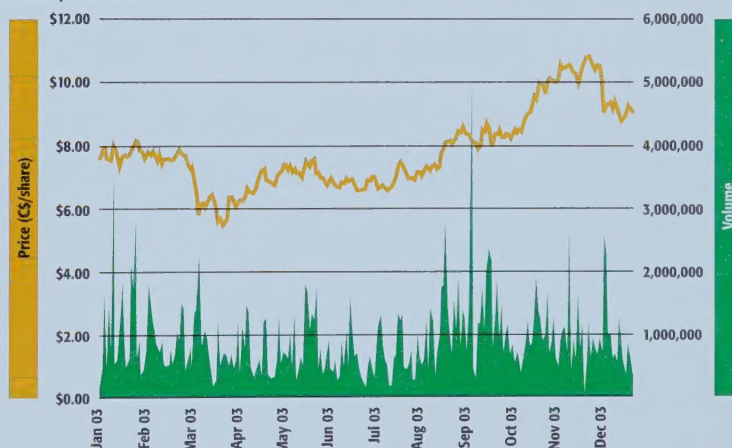
Trading Price

(12 month trading range to December 2003)
High Cdn. \$10.80 – Low Cdn. \$5.48

Share Performance – Cdn\$

IMG: TSX January 2003 – December 2003

Daily Trading (IMG: TSX)
January – December 2003





IAMGOLD
CORPORATION

**220 Bay Street, 5th Floor
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